



الجمهورية اليمنية  
رئاسة الجمهورية  
الجهاز المركزي للرقابة والمحاسبة  
فرع الوادي والصحراء م/ حضرموت



# دور أجهزة الرقابة العليا في تطوير إدارة المخاطر في الوحدات الحكومية

(دراسة ميدانية على الوحدات الاقتصادية الحكومية في وادي و صحراء حضرموت)

## **The role of supreme audit bodies in developing risk management in government units**

A FIELD STUDY ON GOVERNMENT ECONOMIC UNITS  
IN THE HADHRAMAUT VALLEY AND DESERT

اعداد الباحثة:  
علاء عمر نبرهان

2024

# **The role of supreme audit institutions in developing risk management in government units**

(A field study on government economic units in the  
Hadhramaut Valley and Desert)

**Albaurge/ Alaa Omar Nabhan**

**2024M**

**In the name of God,  
Most Compassionate,  
Most Merciful**

## **initiation**

God Almighty said:

((And say, "Work, for Allah will see your work,

and [so will] His Messenger and the believers."))

God Almighty is

true

(Surah At-

Tawbah<sup>105</sup>)

## **Dedication**

### **Our dear father**

To those who brought us to the highest levels, those who instilled in our hearts the love of beautiful morals, those whom God crowned with awe and dignity, those who taught us to give without expectation and whose name we carry with pride

### **Our venerable mother**

To the most beautiful women in the universe, those who waited for us for nine months and welcomed us with their joy and tears, those who endured suffering and staying up late for us, and God has made heaven beneath their feet, and we hope to God for their satisfaction

To the pure, tender, and innocent souls, those who were and still are lighting the way, those with whom we lived our most beautiful childhood, and those who were patient and endured our problems.

### **Our brothers and sisters**

To the brothers whom my mother did not give birth to, those who were characterized by brotherhood and generosity, those with whom I was happy to be in their company and walked the path of salvation and goodness, those with whom I spent the most beautiful days of my life

**(Researcher)**

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## **Summary the study**

Supreme Audit Institutions (SAIs) play a vital role in promoting transparency and accountability within government entities, which significantly contributes to improving performance and reducing corruption. This research explores how these institutions are developing risk management in the government sector, emphasizing the importance of supervisory intervention in enhancing operational efficiency and achieving desired objectives. SAIs Audit the financial and administrative activities of government entities and ensure their compliance with legal and financial standards. This oversight helps uncover errors and violations, and provides recommendations to improve performance and enhance accountability. Through their oversight role, SAIs enable government entities to operate efficiently and effectively, enhancing public confidence in these institutions.

Risk management involves identifying and analyzing potential risks that government entities may face, and developing strategies to mitigate their negative impact. These risks vary between financial, administrative, operational, and technological. Effective risk management is essential to ensuring the sustainability of government operations and the effective and efficient achievement of objectives. Supreme Audit Institutions (SAIs) Audit systems and processes to identify potential vulnerabilities and risks, enabling government entities to identify risks early and take necessary preventive measures. After identifying risks, SAIs assess the impact and likelihood of these risks. This assessment helps prioritize addressing the most significant risks and determine appropriate mitigation measures. Based on the

assessment, SAIs make specific recommendations to improve risk management. These recommendations include improving existing systems and procedures, and increasing employee training and awareness to ensure they fully understand risks and how to manage them. SAIs follow up on the implementation of recommendations to ensure that government entities are taking the necessary steps to improve risk management. This follow-up enhances accountability and ensures the sustainability of performance improvements.

Supreme Audit Institutions (SAIs) face several challenges in their oversight role, including internal resistance to change, a lack of human and material resources, and legal complexities. These challenges can be overcome by strengthening cooperation between SAIs and government agencies, providing ongoing training for employees, and utilizing modern technology in audit operations. The research concludes that SAIs play a pivotal role in developing risk management in government agencies. Through effective oversight and continuous evaluation, government performance can be improved and corruption reduced. It is recommended to increase support and cooperation between SAIs and government agencies to ensure the implementation of recommendations and effective risk management. In conclusion, it can be said that strengthening the role of SAIs in risk management contributes significantly to improving government management and achieving sustainable development. Government agencies need to seriously adopt risk management strategies and work to implement audit recommendations to ensure the efficient and effective achievement of their objectives.

## **Abstract**

Supreme audit institutions (SAIs) play a vital role in promoting transparency and accountability within government agencies, significantly contributing to improved performance and reduced corruption. This research examines how these institutions enhance risk management in the public sector, emphasizing the importance of regulatory intervention in boosting operational efficiency and achieving desired objectives. SAIs are responsible for Auditing the financial and administrative activities of government agencies, ensuring compliance with legal and financial standards. This oversight helps uncover errors and irregularities, providing recommendations for performance improvement and enhanced accountability. Through their regulatory role, SAIs enable government agencies to operate efficiently and effectively, thereby increasing public trust in these institutions.

Risk management involves identifying potential risks that government agencies may face, analyzing them, and developing strategies to mitigate their negative impacts. These risks can be financial, administrative, operational, or technological. Effective risk management is crucial for ensuring the sustainability of governmental operations and achieving objectives efficiently and effectively. SAIs audit systems and processes to identify weaknesses and potential risks, enabling government agencies to recognize risks early and take necessary preventive measures. After identifying risks, SAIs evaluate their potential impact and likelihood of occurrence. This

assessment helps prioritize the most significant risks and determine appropriate actions to mitigate them. Based on the assessment, SAIs offer specific recommendations to improve risk management. These recommendations may include enhancing current systems and procedures and increasing training and awareness for employees to ensure they fully understand the risks and how to manage them. SAIs monitor the implementation of their recommendations to ensure that government agencies take the necessary steps to improve risk management. This follow-up promotes accountability and ensures the sustainability of performance improvements.

SAIs face several challenges in their regulatory role, including internal resistance to change, lack of human and material resources, and legal complexities. These challenges can be addressed by fostering cooperation between SAIs and government agencies, providing continuous training for employees, and utilizing modern technology in audit processes. The research concludes that SAIs play a pivotal role in enhancing risk management within government agencies. Through effective oversight and continuous evaluation, government performance can be improved, and corruption reduced. It is recommended to increase support and cooperation between SAIs and government agencies to ensure the implementation of provided recommendations and achieve effective risk management. In conclusion, strengthening the role of SAIs in risk management significantly contributes to improving government administration and achieving sustainable development. Government agencies need to seriously adopt risk management strategies and work on implementing audit recommendations to ensure their objectives are met efficiently and effectively.

# **Chapter One**

## **General framework of the study**

**(1- 1): the introduction**

**(2- 1): problem the study**

**(3- 1): Questions the study**

**(4- 1): importance the study**

**(5- 1): objectives the study**

**(6- 1): Hypotheses the study**

**(7- 1): Limits of the study**

**(8- 1): Terms the study**

## **(1- 1): the introduction**

I witnessed audit Major developments And Recently, the tasks performed within the unit have diversified, and this position is no longer limited to examining financial and accounting operations or even auditing all of the unit's operations only.,Rather, it has become one of the means AdministrativeThe important thing that the Board of Directors and the Audit Committee rely on to obtain documented information about the effectiveness of the internal control system,It also has a role in identifying and evaluating the risks surrounding the unit, and interest in the role of the auditor has increased.Risk management after the increase in cases of failure and default for some companies, institutions and banks such as:ANedron World Com, Bank of Credit and Commerce and Viman Brothers Bank afterThe crisisGlobal Finance2008 and others,The audit was initially limited to the discovery of the line.And cheating,It was used as a means of conducting a complete and continuous audit of accounting operations.;Given.Due to the difficulty of conducting such a audit by the MRAExternal, With the development of auditors' capabilitiesand their contributionsIn providing administrative service along with the development of the concept of auditing.<sup>1</sup>

Today, government units are constantly facing users' demands for various services. As it requires the highest public and social responsibility for that In stitutions Emphasizing performance and increasing transparency in existing systems, placing restrictions on the use of public resources, and reducing expenditures, as these activities are exposed to a range of risks, which necessitates redefining the role of Control devices From traditional role to risk-based audit ;This is to give confirmation of the effectiveness of N.DInternal ControlandHow effective is risk management?.<sup>2</sup>

## **(2-1) : Study problem**

Government units face Like others Institutions Many risks, including financial and operational and legal Informatics and others,So it is necessary to establish risk management in such kind of Institutions, Risk management

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<sup>1</sup>Hanaa Abdo Khalil Hassanein Al-Jarhi, "Evaluating the Effectiveness of Internal Audit Department Performance Using the Analytical Hierarchy Approach - with an Applied Study," Unpublished PhD Thesis, Faculty of Commerce, Suez University, 2013. p. 1.

<sup>2</sup> turlea .and stefanescu, "Internal Audit and Risk Management in Publis sector entities between Traditon and Actualiy", Annales University Universitatis Abulensis series Oesonomica VO1 11, No1, 2009, p210



has been for pain and It has gained widespread attention in recent years,  
And I became Serves as an agenda for the public and private sectors.

And The audit was In the government sector, its role is limited to verifying the accuracy of transactions, monitoring prepayments, accounting for assets, and reporting past events to various types of management.,And facingInstitutionsGovernment units have many problems and information about the rise and increase in errors, fraud and manipulation., and It needs to activate the role Control device In evaluation And management Risks in these government units;In order to identify weaknesses and reach reasonable standards to measure them.,Then manage it and work to mitigate its effects and thus reach solutions to the problems and obstacles to performance in government units..<sup>1</sup>

The researcher sees the necessity of developing the performance of the role Control device In evaluation administration Risks In government units And, which requires providing a set of requirements..

Hence, the problem of the study arises in an attempt to establishEA proposed role was presented .Censorship In evaluation administration Risks ;With the aim of improving the level of performance in government units by applying it to Yemeni government units..

### **(3 - 1) :Study questions**

The study problem can be highlighted through a set of questions as follows::

- 1- what he role Control device In development administration Risks in government units?

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<sup>1</sup>Abdel Nasser Mohamed Sayed Darwish, "The Role of Internal Audit Activities in Activating Risk Management in Insurance Companies," Journal of Accounting and Auditing, Faculty of Commerce, Suez University, Volume 1, Issue 2, 2013, p. 43

- 2- What are the requirements audit in development administration Risks in government units?
- 3- Is the current qualification For auditor Meets the requirements to fulfill their role in development administration Risks in government units?
- 4- Are government units in dire need of developing their role Control device In light of recent developments in auditing?
- 5- Does developing a role Control device In light of the risk-based audit in achieving the effectiveness of risk management?

#### **(4-1) :Importance of the study**

##### **(4 - 1 - 1): Scientific importance**

Springs importance scientific study The importance of the role played by the audit In achieving objectives any Economic unit in particular and government units in general, This is through the continuous developments of the audit and the need to develop the role of the auditor in managing new tasks and changing the traditional concept of auditing Government especially since there is a scarcity of research in the Arab world that addresses the role of Control device in risk management in government agencies.

##### **(4 - 2-1) : Importance The process**

The importance of research appears on the side Scientifically, its results may help government unit administrations identify risks. that The unit is exposed to it, which helps improve the performance of the audit function .Governmental And achieves the objectives of the unit.

#### **(5 - 1): Study objectives**

The main objective of the study is to attempt to develop the role of government auditing in government units, especially in risk management.

This is achieved through the following sub-objectives:

- 1- Defining the role of the oversight body in developing risk management in government units.
- 2- Defining government audit requirements in developing risk management in government agencies.
- 3- Ensure that the current qualifications of auditors in the oversight body meet the requirements for fulfilling their role in developing risk management in government agencies.

## **(6 - 1): Hypotheses the study**

❖ **First main hypothesis:** The role of oversight bodies has a fundamental impact on the development of risk management in government units.

❖ **Second main hypothesis:** Government audit requirements have a fundamental impact on the development of risk management in government units.

**The following sub-hypotheses branch out from it:**

**First sub-hypothesis** Auditor independence affects the development of risk management in government units.

**Second sub-hypothesis** Auditor qualification affects the development of risk management in government units.

**The third sub -hypothesis: The professional care for the auditor affects the development of risk management in government units.**

### **(7 - 1): border the study**

The limits of the current study were as follows:

1. **border Spatial** :It was completed Conducting research on government units in Hadhramaut Valley and Desert.
2. **border humanity**: A group of auditors in the control apparatus and senior management and financial managers in the Hadhramaut Valley and Desert.
- 3 **border Temporal**: general 2023 - 2024M.
- 4 **border Objectivity**:The study addressed the role of Control device in development administration Risks in units Governmental.

### **(8 - 1): Study terms**

- **audit:**

It is an organized critical examination of the internal control systems, data, documents, accounts, and books of the project under audit with the aim of arriving at a neutral technical opinion on the extent to which the financial statements indicate the financial position of that project at the end of a period of time...<sup>1</sup>

- **Government audit:**

It is practiced by a government agency or a specific government organization. In Yemen, this is done by the Central Organization for Control and Accounting. The Central Organization for Control and Accounting is

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<sup>1</sup>Khaled Amin Abdullah, Auditing and Control in Banks, 1st ed., Wael Publishing House, Amman, 2012, p. 19

responsible for achieving oversight in its accounting and legal aspects, performance oversight, monitoring the implementation of plans, and legal oversight of decisions issued regarding violations.

- **Administration Risks:**

practical He does from During it The leaders on administration The institution By putting Policies and procedures necessary To determine Risks surrounding In all Its activities, And then Measure it and evaluation AHer revenge Different And dealing With her And the response she has from during limit From it or Reduction from A Her revenge to limit acceptable from before Management Supreme Council Management.<sup>1</sup>

- **Government Risk Management:**

she practical Organizational and strategy Aims to to set and evaluation, And management Risks potential that maybe that affect on objectives The organization And its message And its performance, It aims to This is amazing Strategy to reduction The effect negative For risks And more benefits Opportunities good.<sup>2</sup>

- **Government economic units**

Government economic units refer to all public institutions with economic activity that are fully owned by the state..or partially, And the responsible one About providing good sand services Social or economic, for a fee, and financed from non-spending funds, or what is called"Renewable resources

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<sup>1</sup>Abdel Nasser Mohamed Sayed Darwish, "The Role of Internal Audit Activities in Activating Risk Management in Egyptian Insurance Companies," Accounting and Auditing Journal, Faculty of Commerce, Beni Suef University. Volume 1, Issue 2, 2013, p. 5

<sup>2</sup><https://bakkah.com/ar/for-organizations>, 4/3/2024

funds Self-directed"(Example: electricity and water and transportation and connectors) .

- **Hadhramaut Valley and Desert**

- The valley:

It is the third largest valley in the Arabian Peninsula and consists of several sub-valleys such as (Wadi Al-Ain, Wadi Amd, Wadi Sir, Wadi Douan, Wadi Adm). It is the largest valley in Yemen.

The valley is (480) km and its area is (20,800) km and it springs from the sand of the seventies located to the west. It flows into the Arabian Sea near Sayhut in Al Mahrah Governorate.

The directorates are located on it (CandOne, Trim, Soum, cotton, Shibam, Rakhiya, Haridha, Mayor, Wadi Al Ain, Houra).

- **the desert :**

It is located north of Hadhramaut and consists of sand dunes with rare floods and permanent drought that extends westward..Even Ramlat Al-Sab'atayn and the plains and lands on which the desert directorates are located (Thamud, Ramah, Al-Qaf, Al-Abr, Hajar Al-Sa'ir, Zamkh and Manukh).

## **Chapter Two**

### **Theoretical framework and previous studies**

(1- 2) The first topic: Government Audit

(2 - 2) The second topic: The Nature Risks And management Risks in Units Governmental

(3 - 2) The third topic: The proposal was rejected. For the role Control device In development Risks in units Governmental

(4 - 2) The fourth topic :Previous studies

## **(2 - 1)The topic the first :Government audit**

### **) : introduction2 - 1 - 1)**

Government audit arose and developed as a result of increasing the need for the services it provides. Government audit in general aims to verify the health and safety of the financial, administrative and operational statements for government institutions and the extent of the commitment of workers within it to apply the policies, rules and objective procedures to conduct their various stomachs in order to avoid errors and protect their property and government scrutiny is based on a set of assumptions and concepts that are the basis for the goals that have been established from He is based on a set of criteria that are considered a guide for the audit profession.

The scientific development and growth in the areas of government activity led to the large size of transactions, the branching of its work and functions, the difficulty of its internal performance and the multiplicity of its problems, and this has led to the development of the emergence of the concept of audit in government agencies to ensure the effectiveness of the oversight that the audit represents an important element in it, and the greater the size of financial activities, the greater the need for a control device, so that the audit is directed on the aspects of the activities of the party, whether it is an obligation for administrative and financial activity

Administrative; Therefore, its existence has become necessary and inevitable for all the operations and activities of the entity in order to ensure the authenticity of operations and activities, achieve the objectives that they plan and correct any deviations and evaluate them according to the regulations and regulatory instructions.

The audit is one of the defense lines to protect funds and public resources and ensure the optimal use of it on the government agency, as it is considered the effective tool in the development of policies and increasing the productive sufficiency of the entity in a way that benefits its goals, as it performs an independent and objective evaluation function that is created within the authority, to examine and evaluate its various activities in order to help officials within the entity in carrying out their responsibilities with a high degree of efficiency and effectiveness, and helpsThe audit of that authority in achieving its objective and protecting its assets

### **(2 - 1 - 2) :The origin and development of auditing in the government**

#### **sector**

The audit started a very long time ago..about3500 BC, and by referring to the records of many ancient civilizations such as the Egyptian and Greek civilizations, it was found that there were small signs next to the numbers for



financial transactions, which indicates the existence of a verification system and separation of duties between accountants and auditors.yenShe had, then appeared the method of verification by hearing the accounts, and it was used in Rome, where the responsible employee compares his records with others, and this method was designed For Ensure that employees responsible for funds are kept safe and protected from committing fraudulent acts..<sup>1</sup>

It was also used in China by its emperor.,As he was listening to himself To the reports Various measures are being taken by officials to protect the Kingdom's property from internal manipulation.Y, By ensuring that the records accurately reflected the true status of the population and property.<sup>2</sup>

This auditing has developed after the Industrial Revolution in Europe to go beyond the auditory audit of accounts.,It now includes verification of accounting records and related supporting documents, and its characteristics were similar to the current audit., and With the advent of the modern era in the nineteenth century, interest in audit and the need to develop it increased. To preserve foreign capital,As the primary driver for the evolution of audit functions to suit the needs of investors, investors have demanded English To conduct an independent examination of their projects with in the United States, using methods and procedures they brought with them for use in auditing the balance sheet, and they also demanded the use of the analytical method of accounting.T

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<sup>1</sup>Abdul Nasser Muhammad Sayyid Darwish, previously cited reference, p. 8

<sup>2</sup>Premkand, Effective Government Accounting, translated by: Bahas et al., reviewed by Ibrahim et al., Center for Administrative Research and Studies, Institute of Public Administration, Riyadh, 1999.

By examining history, we find that the roots of auditing are in the public sector more than in the private sector, and this early audit was not merely a financial audit in nature, but rather addressed a broader responsibility, such as asset management and the legal obligation related to the use of funds..<sup>1</sup>

If this indicates anything, it indicates that the audit related to the government sector, whether internal or external., Since ancient times, it has reflected a financial and administrative nature and ensured compliance with laws. The emergence and development of auditing reflects that it has become a science in its own right, seeking to prove itself in the private and public sectors as a branch of auditing, and that it deserves attention and development due to its major role in serving the institution., In order for the audit process to be carried out efficiently, it must be based on logical and fixed rules and standards that define what is meant by this process and the circumstances in which it is carried out..<sup>2</sup>

Hence, efforts had to be made to establish standards that govern the work of auditors. ...which regulate their work within both the private and public sectors, and which must be consistent and harmonious with each other in order to establish a framework.. Integrated. For the work of auditors in various fields and areas, After many attempts to establish specific auditing standards and practices, acceptable auditing standards were established, but the problem... R The criteria required auditor to use personal judgment in cases where it was not possible.. Anticipating and preparing for them, as well as generally accepted government auditing standards have been

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<sup>1</sup> Kearney, Edward F., Fernandez, Roldan, Green, Jeffrey W., Tierney, Cornelius E., Federal Overnment Auditing: Laws, R  
<sup>2</sup> Thomas et al., op. cit.

established..United States Office of the General Accountant(GAO), which clarified that it will not be limited to the financial audit, but will include a audit of:<sup>1</sup>

1. Compliance with laws and regulations.
- 2.Economy and efficiency of operations.
- 3.Effectiveness in completion Program results.

As we note, the audit in the government sector includes both the financial audit and the audit of compliance with laws and regulations.,In addition to the operational audit, which includes a audit of efficiency and effectiveness, perhaps the institution's management is one of the entities most in need of verifying the progress of work within it using the various aspects of audit, which reflects the necessity of having Monitoring device meets needs Different.

### **(2 - 1 -3) : Reasons for the development of the audit**

The reasons for the development that occurred in the audit process can be summarized as follows:<sup>2</sup>

1. Management needs means to detect errors and fraud in operations and books early, in addition to the evolution of audit objectives to include other objectives.
2. Increasing the number of branches and geographical spread of the establishments, both locally and internationally, as the management at the

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<sup>1</sup>2006,others & Kearney, op. cit.

<sup>2</sup>The Butcher, op. cit.

main headquarters desires to know and be reassured about what is happening in the branches far from it, by verifying and following up on the following:

- Search for errors and cheating.
- Ensure the soundness of control foundations and suggest necessary improvements.
- Providing consultations to branches.
- Ensuring the smooth running of branch operations..
- Confirmation There are no factors that lead to a decrease in profits..

3. companions The expansion of the facility created a significant gap between senior management and the layer of employees who implement decisions and operations. This created a need for management to have accurate, objective, and periodic reports of project data, summaries, and statistics to guide the project. This created a need for management to have an auditor who would verify the extent to which senior management policy was being implemented with the knowledge of the employees who implemented the decisions. He would also verify the accuracy of the data and statistics presented to management.

## **(2 - 1 -4): Definition of government audit**

### **(Firstly): identification word audit**

word audit She came from The word (Audie) Latin that It means Listening, This See to audit in Covenants old, where He was He listens to what Running from Restrictions To prove Operations Finance Private Actively Governmental.<sup>1</sup>

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<sup>1</sup>Abdel Fattah Mohamed Hassan, "Internal Control and Auditing," Dar Al-Jamiah, Alexandria, 2005, p. 219.

## **(secondly):identification audit**

I knew her association accounting American is Operation Regular And methodology to collect And evaluation Evidence and the evidence In a way objective Which Related With results Activities and events Economic And that To specify bezel Compatibility and matching Between This is amazing Results and standards Scheduled and Notified Parties Meaning With results Audit.<sup>1</sup>

### **❖ Identification French Institute of Audit and Internal ControlIFACI»:**

It is considered audit Interior activity. Independent. Objectively. Grants The institution Guarantees enough around degree Control in Its operations, And offers advice around How to Improve it Which Contribute in create value Added, as Help This is amazing The institution on investigation Its objectives from during evaluation systematic To manage Risks and operations Censorship and governance with progressive Suggestions To enhance Its effectiveness.<sup>2</sup>

### **❖ Definition according to the year bulletin1999 IIA:**

rose In it identification For audit Interior on that it: activity Confirmation consultative independent And objective designer To add value For the institution To improve Its operations, And he is Helps The institution on investigation Its objectives ByYserious Methodology organizer To evaluate

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<sup>1</sup>Saadi Zahra and others audit Governmental according to Standards International For verification,universityAhmed DRAYes UrinationAlgeriap. 20

<sup>2</sup>Official website of the Institute of Accountants, Auditing and Control, 2019

And improve efficiency Operations administration danger and censorship And guidance and control.<sup>1</sup>

### ❖ **Definition of the Saudi Organization for Certified Public Accountants:**

I knew The Authority Saudi Arabia For accountants Legal experts Audit on that it"activity independent And objective, He presents Affirmations and services Consultant With the aim of addition value For the institution And improve Its operations, And it helps this Activity in investigation objectives The institution from during following style systematic organizer To evaluate And improve effectiveness Operations Governance And management Risks and censorship.<sup>2</sup>

### **But audit Governmental So you knowThat it is:**

"to examine efficiency And effectiveness and activities Unity Governmental,And make sure from Use Resources The topic under Her behavior on about economic, And this Definition Then Review Interior Governmental Includes ThnoTha Dimensions she:Censorship Finance and legal, Censorship Efficiency, And supervision Effectiveness.<sup>3</sup>

### **(2 - 1 -5) : audit objectives<sup>4</sup>**

The main objective of auditing in government units is to contribute to achieving the overall objectives of these government units and to ensure effective oversight and

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<sup>1</sup>Zain Younis, Activating Internal Auditing Through the Financial Accounting System; Journal of Humanities; 2010, p. 2

<sup>2</sup>Internal Auditing Scientific Practice Bag/Training: Saudi Center for Internal Auditing and Performance Control, General Auditing Bureau, p. 10.

<sup>3</sup>Abeer Mohamed Fathy, previously cited reference, p. 6

<sup>4</sup>Nader Shaaban Ibrahim Hassan, "Plastic Money and the Impact of Electronic Transactions on Internal Audit in Commercial Banks," University House, Egypt.

control of the state's performance. Auditors primarily seek to achieve several objectives, including:

a. Protection objective: This objective includes the safety of the assets of government units of all kinds.

b. **Development objective** It represents the audit function, which is a therapeutic and advisory function.

**There are other sub-objectives of the oversight body, including:**

1. Verifying the preparation of effective policies, procedures and programmes for audit, in order to enable the administration to perform its duties and exercise its powers and authority in the required manner.
2. Work to establish and activate audit departments in government units, so that they operate independently from the accounting, financial, and administrative units in government units.
3. Ensuring that the accounting unit that manages the accounts of public resources, funds and assets and prepares government accounts performs its duties to the fullest extent possible, by adhering to the financial and accounting laws, regulations, circulars and ministerial decisions issued by the Ministry of Finance and the Council of Ministers, and by taking the necessary measures to ensure the safety and preservation of public funds and assets and the integrity of their recording in the financial and accounting books and records.
4. Ensuring that all relevant government units respond to the Audit Bureau's inquiries and reports. In this context, the Audit and Accountability Bureau submits periodic reports and confirms that the necessary measures are taken regarding the inquiries received.

5. Taking the necessary and appropriate measures to develop the professional capabilities of audit workers and distribute them across government units. To this end, the Audit Authority is working to create advanced training programs using modern technology to enhance audit performance and raise the efficiency and capacity of auditors.
6. Monitoring the effective use of state performance in a manner that meets legitimacy and efficiency standards. The review also aims to uncover errors and violations in performance implementation with sufficient speed to enable the necessary correction to be initiated, as well as to prevent their occurrence or recurrence through the provisions of internal control in government units.

### **(2 - 1 -6) : The importance and role of over sight body reports**

The importance of the oversight body's reports stems from the fact that they serve many parties that are interested in them. The following is an explanation of the parties served by the oversight body's reports:

#### **❖ Senior Management:**

The fact that the primary client of the audit is senior management makes the auditor seek to support it and understand its needs and the aspects that should be focused on to ensure the achievement of objectives. Thus, the presence of an oversight body serves the needs of senior management. Therefore, the reports it issues primarily address this management, presenting the problem that was discovered and the ways to address it. It places its advice and recommendations



before senior management, which may or may not adopt them. The reports provided by the government audit include detailed and unbiased information that benefits and reassures senior management regarding the application of rules and regulations. It shows them any violations, weaknesses, or risks present in the activities and individuals subject to the audit, and guides them on how to correct them. In light of senior management's knowledge of all these details, it will be able to make its decisions more easily, and the possibility of making incorrect decisions due to a lack of available or correct information will be reduced to its lowest levels, as the information provided by the auditor is based on objectivity and neutrality, and is supported by documentary evidence that confirms the validity of its findings and confirms that it has exercised the necessary professional care. The audit continuously provides senior management with facts and information that reflect the effects of previous administrative decisions. Take action on the implementation of tasks and activity results.<sup>1</sup>

From the above, it is clear that auditing is a feedback tool. Examining existing processes and activities may yield recommendations that serve as inputs for senior management to re-operate, resulting in new, alternative, or innovative recommendations that positively impact related processes and activities. This is confirmed by one researcher, who believes that audit results can be used as feedback to modify and develop plans and learn from past mistakes.<sup>2</sup>

❖ **operational management:**

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<sup>1</sup>Al-Sabban et al., reference previously cited

<sup>2</sup>Aqili, Omar, "Administrative Management in the Government Sector," Advanced Auditing, Jordan, 2002.

The audit report serves as a tool for evaluating operational performance. It also provides a window for operational managers to express their opinions and actions. It motivates employees in operational departments and encourages senior management to address issues that managers may not dare to address due to fear of regulations and prevailing routine.

The auditor presents in his report the difficulties and problems that hinder the work of these departments and the necessary recommendations to solve them, which he may derive from the opinions and suggestions of the managers of these departments themselves, as they are the most capable of proposing solutions that suit the nature of the departments' work. Therefore, they find in the auditor's report an opportunity to present their problems and difficulties that they face, instead of discussing them with senior management, especially if they do not expect senior management to respond to them regarding them. Therefore, presenting them by an independent and unbiased party makes the problem take on an objective form and greater importance to management.<sup>1</sup>

#### ❖ **Other parties:**

The audit report may serve parties other than the aforementioned parties, as it includes a lot of information that may be useful in cases of dispute between the administrative body and any other parties.<sup>2</sup>

The auditor's investigation of the facts and the investigation of the causes of problems must be based on the presence of tangible evidence that supports his opinion and confirms his conclusions. The problems he has discovered may result

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<sup>1</sup>Al-Suwafiri et al., previously cited reference, 2002

<sup>2</sup>Al-Suwafiri et al., previously cited reference, 2002

from interactions between the facility's employees and customers or the public. In this case, the auditor's opinion can be the final decision in the dispute, as it is based on tangible and documented evidence that supports his opinion. This demonstrates the importance of the role played by the audit body's report in disputes.

#### ❖ **audit Team:**

The auditor's report is considered basic evidence of the work he performed during the audit process. It is considered one of the educational and training tools for the members of the audit team, and it is a tool for following up on the audit process.<sup>1</sup> The auditor's report represents the conclusion he reached after completing the examination, and it includes all the matters he reached and the solutions he deems appropriate, supported by....His opinion on the evidence he collected, which can be referred to in his working papers, and thus he proves that he exercised due professional care in the event that any documents appeared that were not discovered during the examination, and he was held accountable for that. He is The scientific method based on samples was followed, and therefore there is a possibility that the selected sample may not contain the items that have flaw.

#### **) : Audit risks2 - 1 -7)**

Risks are linguistically defined as: places of errors or dangers. They are derived from the word "danger," which means the proximity of destruction.<sup>2</sup>

The risks in the audit process are the possibility of the procedures failing to detect material errors. Some writers define audit risks as the possibility of the auditor

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<sup>1</sup>Al-Suwafiri et al., previously cited reference, 2002

<sup>2</sup>Ibrahim Madkour, The Concise Dictionary, Cairo, Editorial Department for Printing and Publishing, 1989

expressing an unqualified opinion on the financial statements, which contain a material error.<sup>1</sup>

There is no doubt that the risks involved in the audit process are important factors that the auditor must take into consideration, whether when planning the audit process, determining audit procedures, or gathering and evaluating audit evidence and indications. The American Institute of Certified Public Accountants has emphasized the need to assess risk when planning the audit, so that audit risks are as low as possible and appropriate to express a sound opinion on government accounts. The final audit risk, or as it is sometimes called acceptable audit risk, is a measure of the auditor's willingness to accept the possibility that the accounting books and records, financial statements, and final government accounts may contain a material misstatement after the audit process is completed and an unqualified opinion is reached. Some have stated that assessing the level of risk in the audit process is the main key to controlling these risks.<sup>2</sup>

**One writer defines these levels of risk as follows: <sup>3</sup>:**

- A. Planned risks: Their level is determined before studying and evaluating the internal control system or performing audit procedures. These risks are merely an initial estimate of the possibility of material errors.
- B. Final risks: This represents the final level of risk estimated by the auditor after completing all analytical and detailed audit procedures.

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<sup>1</sup>Tariq Abdel Aal, Encyclopedia of Auditing Standards, Alexandria, University House, 2003

<sup>2</sup>International Federation of Accountants, International Auditing Standards, Saudi Arabia: 1998

<sup>3</sup>Arab Experts in Engineering and Management, Amman, International Standards Series Symposium, 1994

**C. Actual risks** It expresses the true level of risk, which the auditor is not aware of.

The reality is that the process of selecting a sample from a given community is subject to risk, and therefore the audit process that relies on data from that sample is subject to such risk.

**D. Discovery risks** These are the risks in which the audit procedures carried out by the auditor cannot reveal incorrect information in an item in the budget of government units.

Some believe that risk management in government units has not received the same attention as it has in the private sector, as interest has increased in recent years in the role of auditing in the risk management process in the private sector. This was supported by the applied study that was conducted in some countries, where the study reached the percentage of units that apply the concept of risk management as follows:<sup>1</sup>:

- Units that fully apply the risk management concept account for 12%.
- Units that initially apply the concept of risk management represent 18%.
- Units that are still in the stage of understanding and realizing risk management amount to 17%.
- Units that do not know anything and do not have future plans for the concept of risk management 16%.

## **(2 - 1 -8) : Government audit Standards**

Auditing standards are considered the professional framework for the professional auditing process. Accordingly, adherence to principles and ethics is mandatory for

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<sup>1</sup>Radwa Ahmed Maher, "Audit Standards for Risk Management in the Government Services Sector," unpublished PhD thesis, Faculty of Commerce and Business Administration, Helwan University, p. 22.

auditing. The general framework of auditing standards stems from the growing interest in the mechanisms of governance of government units and oversight that have begun to impose themselves on accounting and auditing. The development of auditing concepts has had an impact on the development of professional standards. While the primary objective in the past was to detect fraud and manipulation, it is currently to contribute to the evaluation of the internal system.<sup>1</sup>

The modern professional auditing standards issued by the Advisory Board of the Comptroller General include five sets of standards:<sup>2</sup>

(First group): Independence criteria

The auditor must be independent of the activities he audits. This requires that the audit department have an organizational status that allows it to perform its responsibilities. The auditor must be objective in performing the audit work. This standard includes the following:

**Independence of references:** It means the auditor's independence from the activities he is observing, and this is achieved when the auditor performs his work freely and objectively, which allows him to give a neutral or unbiased opinion.<sup>3</sup>

#### 1) **Objectivity:**

- Determine the competencies of the staff in the audit team.
- Identify conflicts of jurisdiction within the audit team.
- Changing and switching tasks between team members from time to time.

#### **(Group Two): Professional Care Standard<sup>1</sup>**

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<sup>1</sup>Scientific Practice Bag, previously cited reference, p. 17

<sup>2</sup>Abdul Wahab Nasr Ali, Dr. Shahata Al-Sayed Shahata, "Modern Supervision and Review," University House, Alexandria, 2005/2006, p. 500.

<sup>3</sup>Abdul Wahab Nasr, Shehata, previously cited reference, p. 501

Government auditors' tasks must be performed skillfully and with due professional care. This standard is achieved through the following elements:

- 1) **Skill:** Auditors must possess the necessary knowledge, skills and competencies to carry out their individual responsibilities.
- 2) **Professional Care:** Auditors must exercise the level of care and skill expected of any auditor and possess a reasonable level of knowledge and competence. Exercising due professional care does not mean infallibility.
- 3) **Continuing Professional Development:** Auditors should enhance their knowledge, competence and skills through continuing professional development.
- 4) **Quality Assurance and Improvement Program:** The audit officer must establish and maintain a quality assurance and improvement program. The quality assurance and improvement program is designed to evaluate:
  - The extent to which the audit complies with the standards.
  - The extent to which auditors respect the principles of professional ethics.

### **(Group Three): Fieldwork Scope Standards**

This standard indicates that the scope of the auditor's work must include examining and evaluating the accuracy and effectiveness of the company's internal control system and the degree of quality of performance in carrying out the required tasks.

To achieve this, the auditor must do the following:<sup>2</sup>

- 1) Ensure the accuracy and effectiveness of the internal control structure.

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<sup>1</sup> International Standard 1200. International Standards for the Professional Practice of Internal Auditing, 2017

<sup>2</sup> Abdul Wahab Nasr Ali, Shahata Al-Sayyid Shahata, previously mentioned reference, p. 508

- 2) Ensuring the integrity and reliability of financial and operational information and the means used to measure, classify and report such information.
- 3) Ensure compliance with laws and regulations for the physical protection of assets.
- 4) Evaluating the efficient and economical use of resources.
- 5) Examine operational processes and programs to ensure that results are consistent with established objectives.

#### **(Fourth Group): Audit Function Performance Standards**

The auditor must plan the audit process, examine and evaluate the information, reports, results, and follow up on recommendations. The audit planning includes the following:

- 1) The need to set objectives and scope of work.
- 2) Obtain sufficient information to form a background about the activities that will be audited.
- 3) Identify the resources needed to perform the audit process and contact all those involved.
- 4) The auditor conducts a survey to identify various activities, potential scenarios, and control procedures, in order to determine which aspects require greater attention during this process.
- 5) Write a audit program to specify how, when, and to whom review scientific results are sent.

#### **(Group Five): audit Team Performance Standards**



This standard defines how the government auditor's office is managed in the organization, while respecting the generally accepted professional rules, which are as follows:

- 1) Clearly define responsibilities by having a bylaw, a statute, and a list of tasks and authorities.
- 2) Preparing activity plans (setting objectives; developing work schedules; developing financial budgets and activity reports...).
- 3) Establish policies and procedures to guide the audit team in performing their work. Policies must be consistent with the size and structure of the audit department and the complexity of its work.
- 4) Coordination between the efforts of both the internal control system and the audit team.
- 5) Develop a program for selecting and developing human resources to perform the audit.
- 6) Develop and implement programs to ensure the quality of management work and evaluate its work on an ongoing basis.

## **(2 - 2) The topic the second:What are risks and risk management in government units?**

### **(2 - 2 - 1) :Introduction**

Risks are among the most important challenges facing economic units and they work to address them. Risks arise as a result of uncertainty, environmental and economic changes to eliminate them and avoid their occurrence in the future, and rapid and successive technology. Perhaps the risks facing business organizations

constitute a difficult and major challenge that must be addressed and an attempt must be made to reduce its multiple effects, which may lead to the complete failure of these institutions. The environment surrounding the institution also constitutes the decisive and fundamental factor in all threats and risks that must be dealt with seriously based on strategic thinking in planning and developing strategic plans. Government units are among the establishments most in need of establishing an effective risk management system within them; in order to reduce the problems and obstacles facing performance within these units.<sup>1</sup>

## **(2 - 2 - 2) : The concept of risk and risk management and A Its**

**types** Risks are among the most vital issues affecting projects in government units. Therefore, we must understand and define the scientific meaning of the word "risk," because increased risks turn into problems.<sup>2</sup>

The opinions of researchers and scientific and professional organizations interested in the field of activity and the management of these risks varied. Researchers presented some definitions that addressed the concept of risks as follows:

The Egyptian Society for Risk Management defines risk in its translated risk management standard as a complex combination of the probability of an event occurring and its consequences. It includes all tasks and the possibility of events and outcomes that may lead to positive opportunities or threats to success.<sup>3</sup>

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<sup>1</sup>Nahal Ahmed. Activating Internal Audit in Risk Management. Faculty of Commerce, Building, Al-Azhar University. Date: 2008. p. 2777.

<sup>2</sup>Atef Abdel Moneim, Mohamed Mahmoud El Kashef, Sayed Kassem, "Risk Assessment and Management", Center for Postgraduate Studies and Research Development, Faculty of Engineering, Cairo University, Egyptian National Library, First Edition, April 2008, p. 5.

<sup>3</sup> Egyptian Risk Management Association (ERMA), 2002, [www.erma-egypt.org](http://www.erma-egypt.org).

According to Standard No. (47) Issued by American Institute of Certified Public Accountants ((AICPA) defined risk as “the risk that an auditor may unknowingly fail to appropriately modify his or her opinion regarding financial statements that are materially misstated.”<sup>1</sup>

**The researcher concludes from the above:**Risks can be defined as “a set of threats, events and circumstances that economic units are exposed to. These events and threats are divided into two aspects. The first aspect represents positive opportunities that the economic unit must exploit, and the other aspect represents negative threats that hinder the achievement of the economic unit’s objectives . The unit must deal with these threats in order to achieve the goals it seeks to achieve.

Risks of various types are present in all units, as they occur in many of the unit’s operations, whether financial or non-financial, and they arise from...AThese risks result from management's efforts to. To achieve the unit's objectives, changes in the external environment also contribute to the emergence and presence of these risks.<sup>2</sup>And it canRisk classification according to.toGoalsUnity and plans for strategyAnd it canRisk classification into:<sup>3</sup>

#### ❖ **Strategic risks:**

These are risks that affect long-term and medium-term goals.,They may be political, economic or social risks, as political, economic and social risks represent the prevailing risks.AndIn the country, resulting from changes in

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<sup>1</sup>General Administration of the Saudi Audit Center, Risk-Based Auditing, 2020, p. 6

<sup>2</sup>Mohamed Ali Mohamed. Financial Risk Management in Egyptian Joint Stock Companies. Faculty of Commerce. Cairo University. 2005. p. 7.

<sup>3</sup> Victorian Auditor-Generals Office, "Managing Risk Across the Public Sector", 2004, p2, available at [www.audit.ic.gov.au](http://www.audit.ic.gov.au).

governments and other which affects on the activity of economic units and hinders the achievement of their objectives.<sup>1</sup>

❖ **Operational risks:**

These are the risks associated with the activities within the unit, and include current and future risks that could have an impact on the organization's objectives. Operational risks are divided into the following:<sup>2</sup>

A. **Human Resources Risks:** They result from individual errors, whether unintentional, as they are planned in advance, or deliberate, through collusion with other individuals. These risks also occur as a result of the government unit management promoting some employees quickly without them gaining sufficient experience. Human resources risks also include fraud risks: which are represented by intentional or deliberate deception with the aim of illegal personal gain by any employee or client in the unit, which results in major risks, such as tampering with data or documents or misusing the job position, policies or any documents related to the unit for personal gain, thus exposing the financial position and reputation of the institution to danger.<sup>3</sup>

B. **Fraud risks** Fraud is the intentional commission, omission, or negligence of an entity that results in materially misleading financial statements, such as intentional falsification of accounting records and books, intentional misappropriation of unit resources, or intentional misconformity with

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<sup>1</sup>Nahal Ahmed. Reference previously cited. p. 279

<sup>2</sup>Duaa Mohamed. A Proposed Framework for Integrating Risk-Based Auditing and Cost Management Tools to Support Strategic Decision-Making. Faculty of Commerce, Tanta University. 2013. p. 49.

<sup>3</sup>Grameen Jameel "Guide to Governance, Institutionalization and Risk Management for Microfinance Institutions in the Arab World" 2014. p. 30

accounting principles regarding the measurement or disclosure of certain events.<sup>1</sup>

- C. **Risks associated with public expenditures:** It represents purchasing expenses and payroll schedule, and purchasing policies must specify the progress procedures related to the required needs and services, the application process, the accuracy of access to receiving and storing approval, preparing and signing checks or disbursing cash amounts.
- D. **Risks of damage to physical assets:** Losses or damages to physical assets or systems malfunction.
- E. **Risks of business interruption and system failure, including computer systems:** Any disruption to business or system malfunction.

❖ **Financial risks:**

Financial risks are represented by the degree of fluctuations that occur in the budget, and several internal factors such as failure to estimate, prepare and monitor budgets, failure in the financial planning process, or inefficiency of financial allocations.

❖ **Compliance risks:**

It arises from non-compliance with applicable laws and regulations, whether from the state or professional bodies, and it rarely occurs..<sup>2</sup>

❖ **Information technology risks:**

These are risks that result from problems and errors in applications, uncoordinated or undocumented changes in systems, inefficiency of input, processing and output

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<sup>1</sup>Duaa Muhammad. Reference previously cited. p. 50

<sup>2</sup>Zaki Muhammad, "The Role of Internal Auditing in Improving Performance in Economic Units," Faculty of Commerce, Ain Shams University, 2005, p. 94.

controls designed for applications, inefficiency of software security measures related to the security of the information technology infrastructure, or the lack of the necessary capabilities to deal with changes in the station environment, or the lack of a well-trained cadre to use modern information technology within government units..<sup>1</sup>

**The researcher concludes:** All these risks may affect the performance of government units, thus hindering the achievement of their objectives. There are some risks that may not be directly related to the work of government units, such as natural disasters such as floods, earthquakes, and hurricanes, as well as political risks such as: Wars, Terrorism.

The application of the concept of risk management is receiving increasing attention from many sectors, whether governmental or non-governmental, and many have been interested in...handFrom writers, researchers and professional bodies concerned in the recent periodLiraBy defining risk management, the researcher will discuss some of these definitions as follows:

- **First definition** It is a process through which those in charge of managing an organization develop the necessary policies and procedures to identify the risks surrounding all its activities, then measure them, evaluate their various impacts, deal with them, and respond to them by limiting or reducing their effects to a level acceptable to senior management and the board of directors.<sup>2</sup>

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<sup>1</sup>Karima Ali Jawhar, "Technological Risk Analysis: An Introduction to Evaluating and Building Internal Control Activities in Real Estate Registration Departments in Some Private Jordanian Universities," 2011, p. 14.

<sup>2</sup>Abdul Nasser Muhammad Sayyid Darwish, p. 3

- **The second definition:** It is an essential part of any organization's strategic management. It is the procedures that organizations follow on a regular basis to address the risks associated with their activities, with the aim of achieving sustainable benefits from each activity and from the portfolio of all activities.<sup>1</sup>
- **The third definition:** It is a process carried out by management and other individuals in the organization, and is implemented through its preparation as a strategy within the organization, and aims to identify potential events that affect the organization, and risk management is within the limits of the appetite for acceptable risks; in order to provide an investigation regarding the achievement of the organization's objectives.<sup>2</sup>

And it can to know researcher risk management It is: a phrase Administrative activity, including all policies and procedures Which are established by the management of the institutions, with the aim of controlling risks through the activities that Performed by to identify and assess the risks to which the organization is exposed, And reduce them to acceptable levels and deal with them, and provide reasonable assurance regarding Related to achieve the objectives of the institution.

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<sup>1</sup>Egyptian Risk Management Association (ERMA), Op. Cit, 2002, p2.

<sup>2</sup>)COSO's "Enterprise Risk Management -Integrated Framework", Committee of Sponsoring Organizations of the Treadway Commission (COSO), New York, NY, September, 2004, p2

The application of risk management in government units requires a set of basic requirements for risk management to be effective in encouraging innovation in government units. These requirements are:<sup>1</sup>

1. He should Clearly communicate to employees risk management policies and the benefits of effective risk management.
2. He should Senior management should recognize, support, promote and encourage risk management.
3. He should To support a management culture of thoughtful thinking through risk-taking and innovation.
4. He should Risk management should be an integral part of management processes in government departments.
5. He should That risk management is closely linked to the achievement of objectives.
6. He should Assess and manage risks associated with working with other organizations.
7. Availability Accountability, whether specific or broad in the unit.
8. He should Organizations should integrate the concept of risk management into the COSO risk management framework, rather than using it alone as a guide for implementation.
9. He should Auditors should identify specific opportunities to enable faster implementation of the risk management process across the organization.

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<sup>1</sup>Hossam El-Saeed El-Sayed Mohamed Mutawakil, A Proposed Model for Measuring the Role of Internal Audit in Adding Value to the Establishment, Unpublished PhD Thesis, Helwan University, Faculty of Commerce and Ministry of Business, 2011, p. 80



Despite the need to provide risk management requirements in government units, there are many difficulties that they face, the most important of which are: <sup>1</sup>

- Need To teach risk management.

- A policy related to the allocation of resources based on risk.

- Strategic thinking regarding risk management.

- Technical and technological aspects related to organizing the risk management process, such as identifying risks.

- Coordination and participation challenges.

## **(2 - 2 -3) :The importance of risk management**

Risks are an inherent part of every individual's daily life. Human nature manages and handles them automatically and without planning, such as avoiding car accidents by adopting safe driving, using seat belts, etc. Government agencies may adopt additional controls to address the same risk related to accidents to reduce the chances of their occurrence, such as traffic lights, speed cameras, etc., as they are the entities entrusted with protecting citizens and residents. Therefore, organizations' concern for risks and investment in proactive controls to protect the organization and the rights of stake holders and employees demonstrates the maturity of transparency and governance. Stakeholders' ability to predict risks in advance is an indicator of their full understanding of the organization's business and strategic objectives.<sup>2</sup>

## **(2 - 2 -4) :Evolution of risk management**

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<sup>1</sup>Radwa Ahmed Maher, previously cited reference, p. 53

<sup>2</sup>Guide to Building an Enterprise Risk System, p. 5

The concept of risk management in the private sector has evolved slowly and inefficiently due to the multiplicity of departments responsible for risk activities, such as operational risk management, credit risk management, and cybersecurity risk management. This has led to a lack of clarity regarding risk roles and responsibilities, as well as differing risk identification criteria and risk management methods within a single organization. The solution was to create a central framework for risk operations, governed and monitored by corporate risk management. This framework would unify efforts, define roles and responsibilities, and standardize the standards used across all departments. This would contribute to increasing the efficiency of resource use, identifying alternatives in strategic planning, supporting risk-informed executive decision-making, and enabling the ability to meet challenges more flexibly.<sup>1</sup>

**) :Elements of successful risk management2 - 2 -5)**

To achieve the desired results from risk management, risk management must be implemented comprehensively and cannot be fragmented, based on the following:

- The executive management should adopt the concept of risk management and its importance before starting the work of the endowment organization.
- Adopting a mechanism for making urgent decisions in the endowment organization.
- Risk activities should be led by a team specialised in risk management that has sufficient experience and the necessary professional certificates.
- Risks should be an integral part of strategic planning.

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<sup>1</sup>Previous reference, p. 34

- Providing support from senior management for risk management and adopting a risk culture as an example for the rest of the organization's employees.
- Providing the necessary independence for risk management within the entity, to avoid conflicts of interest and provide the ability to be accountable and responsible.
- Ensure that the administrative level of risk management is raised to be linked to the first official, in order to enhance the management's oversight capacity at all levels.
- Ensure that risk management activities are binding and comprehensive for all departments of the endowment organization.<sup>1</sup>

## **(2 - 2 -6) :International Risk Management Standards**

Many international risk standards have been developed over the years and currently the mostTwo criteria They are used:<sup>2</sup>

1. **standardISO 31000** For risks, which is the preferred standard for most entities.;For ease of implementation and understandingH.(AYezo International Organization for Standardization: It is an independent non-governmental organization in Geneva. Switzerland TDm number.Experts in developing international standards in several fieldsT.
2. **Standard COSO** To risks and is more related to the environment (COZO: An initiative by five professional organizations to help organizations improve performance.,By developing and improving regulatory controlsERisk Management, Governance, and Anti-Fraud) .

## **(2 - 2 -7) : Risk Management Principles**

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<sup>1</sup>The guide, previously mentioned reference, p. 6

<sup>2</sup>The guide, previously mentioned reference, p. 7

Risk management principles are considered fundamental to building management and should be implemented and supported by the senior leadership of the endowment organization.;This is to ensure that the desired results are achieved from risk management with the efficiency and effectiveness required to support the achievement of strategic objectives.These principles are as follows:<sup>1</sup>

❖ **Principles Public To manage Risks according to standard31,000 ISO:**

- 1.**Integrated:** Risk management should be a part of.Basically.From all the operations of the endowment organization, so that it is not a secondary or subsequent procedure; this is to activate the proactive role of risk management.
2. Organized and integrated:Risk management must be characterized by a comprehensive and integrated organization of operations and be comparable and measurable, by following a systematic and comprehensive approach to risk management.
3. Adaptable:Risk management and its operations change and develop according to the surrounding conditions, internally and externally, to adapt in a harmonious manner to these changes and not be an obstacle, but rather a supporter of positive developments..
4. Comprehensive:Mature risk management takes all opinions into account in a timely manner.and experiencesStakeholders, which increases the level of cohesion between stakeholders and increases the level of maturity in endowment entities and organizations.

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<sup>1</sup>The guide, previously mentioned reference, p. 7

5. Subject to change: Risks are of a constantly changing nature, as risks are linked to internal changes within the endowment organization, such as changes in strategic objectives and their development, changes in the organizational structure, work units, and scope of business. External changes are also taken into account, such as decisions, regulations, and laws. For risk management to be effective, these changes must be part of the scope of risks..
6. Based on the best available information: According to the proactive role of risks, effective risk management relies on past and current events, as well as anticipating potential future events. Therefore, the guidance of the executive management in the endowment organization is the main enabler of this role, so that the risk management is kept informed of this information so that it is available in a consistent and clear manner to stakeholders, taking into account the obstacles to the possibility of obtaining all information and the uncertainties related to it.
7. Cultural and human factors include: Effective risk management takes into account cultural and human factors in risk operations because they affect expectations at all levels. Therefore, risk management must be aware of the stakeholders in a way that facilitates the process of conducting risk operations more flexibly, rather than following a one-size-fits-all approach, especially if the endowment organization includes stakeholders from different cultures.
8. Continuous improvement: Risk management, as part of the culture of the endowment organization, evolves with the organization's development, stakeholders' awareness of its importance and desired outcomes,

learning from previous events and attempts to modify them. Risk management must be capable of evolving in direct proportion to the organization's development, maturity and the increasing complexity of expected business.

## ❖ principles administration Risks Institutional

### (2 - 2 -8) :Elements of Success for Risk Management

The role of risk management varies between entities, but there are specific elements that can be an indicator of the extent of an endowment organization's concern with risks. These elements are as follows:<sup>1</sup>

- 1) **Empowerment:** Enterprise risk management must be empowered at the appropriate administrative level within the organizational structure, directly linked to senior management to enable it to deal comprehensively with all departments at a level that is parallel to the levels of executive management.
- 2) **Independence:** Risk management must be independent from other departments and not have an executive role to ensure the transparency and objectivity of risk management procedures and the absence of conflicts of interest.
- 3) **Obligation:** Risk management procedures should be binding on all relevant departments.
- 4) **Support:** Provide ongoing support from senior and executive management to manage risks and disseminate the culture to all employees.

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<sup>1</sup>The guide, previously mentioned reference, p. 9

- 5) Transparency: Information required for risk management is provided in a timely and complete manner.

## (2 - 2 -9) :The role of risk management in government units

The process Risk management in improving the performance of departments within government units can be explained Ha Through the following table:

Table (2-1) The role of risk management in improving the management of government units

The role that can that Helps in administration Risks	Field of activity
RightBeTo help risk managementDepartments which is exposedDTto the potential impact of risks by ensuring that risks are avoided or onleastArrangements in placeexistingShe can handle them.	<b>presentation Best services:</b> There are a number Risks associated with providing Services to the public, services may be delayed or of poor quality or Unreliable,Or that the administrationsUnable to respondFor the priceYadatSurpriseIn the application, the complementary services may not be linked to one of them when applying..
Risk management can help.DepartmentsTo assess the occurrence of changesMainIt may affect resource needs and how services are delivered,andCanDepartmentsBy doing this, develop contingency plans to maintain services if they deteriorate.Things And thinkingIn waysTo respondTo demand services during	<b>Dealing with change</b> Change is a natural characteristic.AndThe purpose for which the departments workforGovernment units may RequiresproblemsNew economic and social government workers.Rapid technological changes may require employees toGovernmentalBy developing their skills and new ways of providing services in response to the increasing
It can helpECircuits to identify areas that have been over-managed or over-controlledAndResources can then be freed up to address the issues.Mostat risk.	<b>efficient use of resources</b> Risk management must be defined.EfficiencyAndRisksTo surviveZOutputsAnd resultsThe program.
Risk assessment at the feasibility and evaluation stage can help develop forecasts and increase risk allocation.For the partiesThe most capable of managing them, and it also helps clarify responsibilities for managing specific	<b>Better Projects House</b> There are risks of delay. underdeliver, over budget, or underperform With quality requirements or operational requirements under all types of equipment, information technology and projectsConstruction.

Effective risk management involves regular assessment of performance metrics and other processes and systems that support the delivery of services and outputs. Programs and goals Management, and by doing so can help assess their reliability. How to Support them.	Reducing waste and fraudWeaknessValue for money: Departments need to regularly evaluateWhether it wasTReliable internal management controlsAnd enoughTo reduce the risk of fraudand violations And waste.
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Source: (, p32 Bourn.j, cit, 2000)

## **(3-2)The third topic: Control deviceIts role in activating risk management in government units**

### **(3 - 1-2): Introduction**

The audit witnessed Governmental Major developments And In organizations ;As a result of the development of the environment A Workers and public life, and in recent years, female audit writers indicate that the risk-based audit approach Contributes effectively to the continuous evaluation and improvement of the risk management process by providing advice and A For suggestions, especially through the supervision of internal controls that have become indispensableIn risk management in government units.<sup>1</sup>

Interest in the role of auditors in evaluating internal control and risk management has also increased significantly, especially after many companies and banks went bankrupt as a result of fraud cases .,And A mistake accounting And cases of corruptionEThe ethical and financial management of economic units and audit offices has been affected, resulting in huge losses for stake holders.

The financial collapse of these companies and institutions was followed by many criticisms of the auditing profession, especially with the external auditor issuing a clean report on the performance of these companies, as well

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<sup>1</sup> Tusek, B., "The Role of Interanl Audit Function in Risk Management Process: Croatia and Europe Comparison", 2013, p22-44



asEThe collapse of one of the largest audit firmsAmericanIt led to the US Congress intervening in legislation by issuing a law.(Sarbanes-Oxley (2002)With the aim of improving corporate governance and shapingCommittee SarboxWith the aim of reducing lack of transparency in financial statements and improving financial reporting..<sup>1</sup>

### **(3 - 2-2): Risk-based audit concept**

Represents The risk-based government audit approach is one of the most important contemporary areas of auditing that highlights and confirms the importance of this role in risk management. This approach begins by focusing on the organization's objectives and the risks that affect them, then examining the internal control systems and demonstrating the suitability of these systems to address those risks..<sup>2</sup>

And Risk-based auditing is one of the most important modern trends in auditing.Not only does it provide suggestions for reducing the current risks that threaten the organization, but it also anticipates future risks.RMore effective in protecting the organization from the effects of potential risks.In light of the above, the researcher presents some definitions that address the concept of risk-based auditing, as follows:

One researcher points out that the audit risk-based she The methodology that includes providing assurances that the risks to which the organization is exposed are managed.forThe limits of the organization's appetite for risk. <sup>3</sup>

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<sup>1</sup>Samah Tariq, "The Role of Internal Audit in Disclosing Fundamental Weaknesses in Internal Control of Financial Reports in Light of Professional Publications," Faculty of Commerce, Tanta University, 2012, p. 630.

<sup>2</sup>Abdul Nasser Darwish. Reference previously cited. p. 54

<sup>3</sup>Shaimaa Hashem Abdel Latif Khamis, "A Proposed Framework for Activating Risk-Based Internal Auditing to Support Continuity," Faculty of Commerce, Ain Shams University, p. 15.

One researcher sees it as a functionally independent activity..The aim is to give objective confirmation and advice to theEThe highest authority in the institution for improvementYN alAAActive, it also helps the organization achieve its goals by following a consistent and systematic approach and improving efficiency.AAnd effectivenessEEnterprise risk management.<sup>1</sup>

### **(3 - 3-2): role Control deviceIn risk management in government units**

Play audit Governmentallt plays a major role in identifying risks for government units and also works to identify key areas that would improve risk management processes. Professional standards require the audit function to identify and analyze Risks and assess the effectiveness of the risk management process, Which can affect To achieve the objectives of the units, as well as the auditors They add value to government units by providing assurance that the risks they are exposed to are properly understood and managed, and strong organizational commitment requires management to develop a risk-based culture within government units.

As the Institute of Internal Auditors explained,(IIA) The primary role of government audit activities is to provide objective assurance to theECircuit on the effectiveness of risk management activities,That it is managed appropriately and that internal control systems are operating effectively. The role of government audit is to provide advice and consultations to improve risk management and control.<sup>2</sup>

It also leads to .Audit Governmental important role In detecting and preventing fraud,Which represented the challengeAGrow up in A

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<sup>1</sup> Griffit, D., "Risk Based Internal Auditing", Three views on implementation, Version 1.0.1, 15 March 2006.

<sup>2</sup> Victorian Auditor-Generals Office,"Managing Risk Across the Public Sector",Good Practices Judie: Auditing in the Public Interest, 2004, p2

Government unit disease ,By identifying the ways in which the theft or loss occurred and determining whetherTEnable theEExisting control procedures managementAFor riskseffectively;To prevent financial violations andEKnowledgeable to an acceptable level.

The audit function involves accounting and independent and continuous evaluation of the activities of the units in order to protectOriginsAnd ensure the efficient operation of allActivitiesAnd as the scopeAFor reviewGovernmentalIt is broad and includes many considerations such as the efficiency of operations, reliance on financial reporting standards for government agencies in order to deter and verify fraud, protect public funds, confront risks, and ensure compliance with laws andAList system.<sup>1</sup>

And it leadsModern trends in theEThe Finance Department in government units is increasing its focus on auditing and oversight.andBudget performance,onThe basis of accrual accounting and accountability for results, which has resulted in the need for new types of auditing Governmental; Therefore, the audit Governmental Modern organizations must go beyond auditing compliance with laws and regulations to assessing the effectiveness and efficiency of internal control and risk management systems in the performance of those units.

andTpartnerSupreme Audit InstitutionsMainly in risk management of government units throughReport ManagementHigh to significant risksandInfluence on unit objectives and operations.<sup>2</sup>

andASome people stressed the need to develop the audit. Governmental And its expansion,To include new practices that were not previously in place,

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<sup>1</sup>Previous reference, p. 42

<sup>2</sup> The Institute of Internal Auditors, "Standards for Practices of Internal Auditing," Altamonte Springs, Florida, Inc, 2002, p2

such as auditing risk classification and providing assurances regarding Risk Management and Reporting, You can also audit governmental To participate in all strategic stages of the risk management process, starting with ensuring that the risks arising from Events The negative has been accurately identified, and then confirmed that the risks have been assessed using Methods The appropriate amount, ending with expressing the opinion that the high risks have been reduced to the minimum possible, then monitoring the risks that have been reduced and evaluating them and evaluating the risk reporting process, then delivering information in a timely manner to management so that it can rationalize its decisions And its provisions.<sup>1</sup>

and Can be explained Roles The basics of internal audit in risk management are shown in the following table: <sup>2</sup>

**table(2-2) : Roles Fundamentals of Internal Audit in Risk Management**

<b>Roles Basic government Audit in Relation to Risk Management (Assurance Role)</b>	<b>Roles government Audit Using Assurances (Advisory Role)</b>	<b>Roles Which government audit is prohibited from doing</b>
give Confirmation of operations administration Risks.	Facilitate the process of identifying and assessing risks.	Setting the risk level within the organization's desire.
give Ensure that risks are properly assessed.	Support the process numbers Risk reports.	Implementing risk strategies on behalf of Management.
Operations Evaluation administration Risks.	training Management And help her in the Actions and Response For Risks.	take Decisions to confront And Risks.
Evaluation reports on administration Main risks.	Protect and develop the organization's risk framework.	Take responsibility for administration Risks.
Audit administration Main risks	fragment coordination administration systematic risks.	Order of execution of operations administration Risks.

<sup>1</sup>Yasser Mohamed Samra, "A Proposed Framework for Raising the Level of Internal Audit Performance in Business Risk Management in Egyptian Companies," The Egyptian Journal of Business Studies, Faculty of Commerce, Mansoura University, Issue 3, 2011, p. 360.

<sup>2</sup> The Institute Op Internal Auditors Op. Cit, 20004 p3

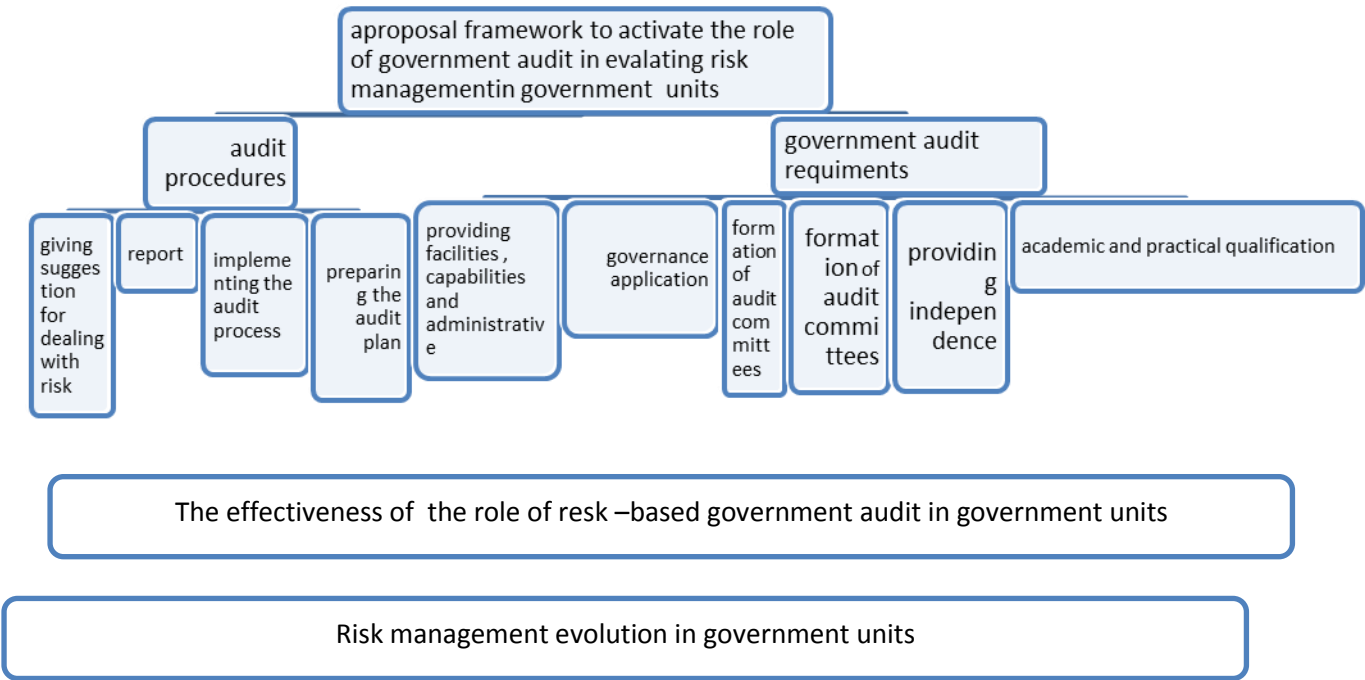
Roles Basic government Audit in Relation to Risk Management (Assurance Role)	Roles government Audit Using Assurances (Advisory Role)	Roles Which government audit is prohibited from doing
	supportconstruction administrationsystematic risks.	Control guaranteesadministrationRisks.

Source:((The Institute government Auditors Op. Cit., 20004, p3

### (3- 4-2): Proposed framework to Activate the role Control device In piety risk Management in Government Units

Government units are exposed to a number of risks when carrying out their work, which the researcher discussed in the chapter.AAnd, which varies according to the type of activity within each unit, these units face many problems and obstacles, especially from the large numbe r of A Errors, fraud and manipulation A Pass which needs to be activated Government audit As a value-adding activity in assessing risk management in these units, the researcher sees To activate the roleSupreme Audit InstitutionsIn risk management assessment, a set of criteria is required.therequirementsObligatoryTo apply thisEFlew,And alsoproceduresThe duties to be implemented that help activate the role of audit Governmental In evaluationERisk management, the following figure shows the structure of the proposed framework:

Shape (2-1)



**Source:**(Haider Badr Azghair, p. 30)

To activate the role of audit Governmental in assessing risk management in government units, a framework has been proposed that relies on providing a set of requirements necessary for conducting the audit. Governmental An effective role in evaluating risk management in government units, which is considered influential in the effectiveness of audit performance. Governmental In risk management, A Also. There are procedures. no The auditor must implement it to enable him to perform his work in a correct and effective manner in dealing with risks. which the unit is exposed to, And Alih The researcher suggests to the management of government units An provide those requirements.

The role is clear Control device Based on risk management, in providing assurance about the effectiveness and efficiency of risk management processes in government units, and the role of audit is Governmental in the Deal with risks A One of the modern roles in the auditing profession, and can offer Supreme Audit Institutions Help to To manage through proposals and advisory services regarding the risks to which the unit is exposed and which limit the achievement of its objectives due to. Because these risks are related to the unit's activity, and A The auditor can use his experience in risk management. and Contributes to assessing these risks and assisting Management In determining appropriate methods of responding to risks and how to deal with them, audit activities contribute Governmental in Reducing the risks associated with achieving the unit's objectives, but attending to Supreme Audit Institutions To play an executive role and assume

responsibility on behalf of Management Risk management; This is because risk management is considered the responsibility of Management.

## **(5-2)Chapter Four: Studies previous**

### **3- Study by Nourhan Mohamed Abdel Ghaffar BTitle:The impact of activating the use of the risk-based review approach according to the frameworkCOSO on improving review qualityand its repercussionsOn the efficiency of financial performance in Egyptian joint-stock companies: an applied study"**

The main objective of this research is to attempt to develop an integrated framework to activate the use of the risk-based audit approach according toCOSOThis study aims to improve the effectiveness of comprehensive risk management by carrying out its responsibilities of identifying, assessing and responding to risks in order to manage them and mitigate their impacts, so that they are within acceptable levels. This is achieved by measuring and determining the quality level of the audit process in the companies under study. The study reached several results, the most important of which are: Auditing processes play an important role in managing the various risks faced by establishments of various types, by providing advisory services and suggestions to the establishment's management in order to formulate the general policy for comprehensive risk management. The study recommended the necessity for business establishments to upgrade the organizational status of internal audit and develop its traditional approach.

**The researcher sees from the studies** Previous studies have emphasized the need to develop the role of supreme audit institutions from the traditional role to risk-based auditing, given its effective role in adding value to the unit. However, these studies did not directly address the role of government risk-based auditing in government units, and were limited to private sector establishments. Therefore, the researchers in this study will focus on the role of government auditing in developing risk management in government units, given its importance in this regard.



# **Chapter Three**

## **Method and procedures**

**(1- 3): Study methodology**

**(2- 3): Society and sample The studySix**

**(3- 3): sources the study**

**(4- 3): procedures the study**

**(5- 3): Variables the study**

**(6- 3): Study form**

**(7- 3): tool the study**

**(8- 3): Stability of the study tool**

**(9- 3): Statistical treatments**

### **(1- 3): Study methodology**

The researcher relied on the descriptive analytical approach based on the social survey method that relies on the quantitative approach. The questionnaire is considered a primary source for collecting data, as it was distributed personally to the respondents.

### **(2 - 3): Study community and sample**

The research community consists of a group of auditors, senior management and financial managers in the Hadhramaut Valley and Desert., Given that. It is impossible to comprehensively list the vocabulary of the research community at the present time due to their large numbers, And also For considerations Due to time constraints, a simple random sample of (30) A term that represents the community in the research being studied. And it has been distributed (30) Questionnaire, all but one were returned.

### **(3- 3): Study sources**

I adopted The study collected data from the following sources: :

1. **Primary sources** Questionnaire.
2. **Secondary sources** It consists of scientific books, articles, published research, and various periodicals related to the role of auditing in developing risk management in government units.

### **(4- 3): Study procedures**

The researchers designed a questionnaire as a tool for collecting data based on what was mentioned in previous studies regarding the theoretical framework that was collected and presented. To the research supervisor and delete and modify what is necessary, Then the questionnaire was distributed

finally, Then it was collected and Fill out questionnaires and enter their data using the statistical analysis program.(SPSS) and analyze it Through statistical tests in the program to reach the results of this research.

### **(5- 3): Study variables**

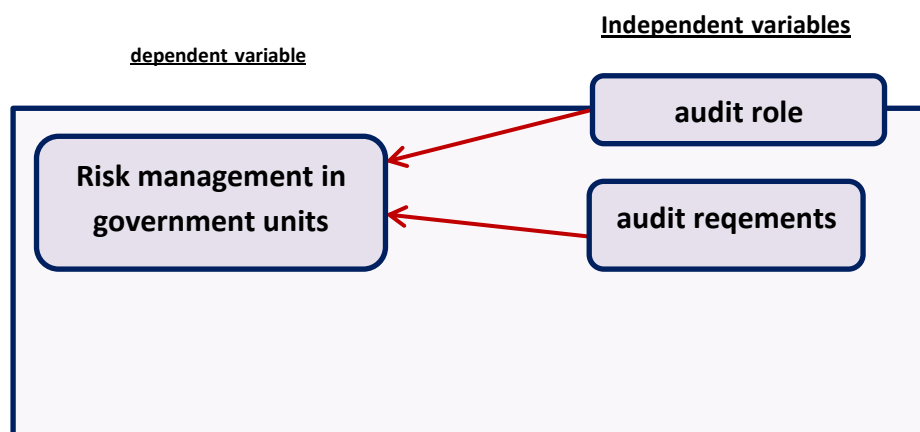
- **Independent variables**: It was represented by the following two main variables:

- 1) The role of audit.
- 2) audit requirements: Measured by Dimensions are:
  - Independence of auditors
  - Reference qualification
  - exercise due professional care For references

- **dependent variable**: Risk management in government units.

### **(6- 3): Study form**

shape(3 - 1) Study model



### **7- 3): Study tool**

It included questionnaire Two sectionsh what:

**(Section One)** Information character For the sample from Except to 3

Variables are (job position; educational qualification; number of years of experience).

**(Section Two)** Related to the study hypotheses, 7 Phrases to measure the

first main hypothesis, 22 Statement to measure the second main hypothesis.

The five-point Likert scale was adopted. The response ranged from (5-1) The scale was as follows: :

**Table (1- 3)**

**Five-point Likert scale**

strongly	I disagree	neutral	I agree	I strongly
1	2	3	4	5

### **(8-3): Validity and reliability of the study tool**

#### **a) Validity of the study tool:**

The validity of the instrument expresses the extent to which the instrument used is suitable for measuring what it was designed for. To verify From the validity of the apparent content of the questionnaire It has been taken from previously peer-audited studies, and also it was presented to the research supervisor for his comments and necessary amendments..

#### **for) Stability of the study tool**

It means the Scale stability; That is, the scale gives the same results with a probability equal to the value of the coefficient if it is reapplied to the same sample., To verify To ensure the stability of the study tool, the researcher used Cronbach's reliability coefficient. Alpha Cronbach Alpha , As it is from The side Applied (Alpha  $\geq 0.60$ ) reasonable In research related to management and

humanities(Sekaran, 2003)The following table (3 - 2) Shows the reliability coefficient values for the study axes:

**Table (2 -3)**

**FactorstheCronbach's constancy alpha) For questionnaire**

Cronbach's coefficient alpha)	numberphrases	(Hypothesis)	The number
0.683	7	(First main hypothesis)	1
0.776	22	(Second main hypothesis)	2
0.617	10	First sub-hypothesis	2-1
0.619	9	Second sub-hypothesis	2-2
0.422	3	Sub-hypothesis 3	2-3
0.779	29	The questionnaire as a whole	

**Source:** Prepared by the researcher based on the program outputs SPSS

whereIt is clear from the table(2-3) thatstability coefficientThe first main hypothesis is equal to(0.683),andFactorstabilityThe second main hypothesis is generally equal to(0.776),As for the sub-hypotheses, the Cronbach's alpha coefficient for the first sub-hypothesis was equal to:(0.617)And Cronbach's alpha coefficient for the second sub-hypothesis is equal to(0.619)And Cronbach's alpha coefficient for the third sub-hypothesis is equal to(0.422),And in a waygeneralCronbach's alpha coefficient for the questionnaire as a whole was (0.779) This meansEnjoyThe tool generally has a stability factor. highand thuscapacity The toolTo achieve purposesthe study.

### **(9- 3): Statistical processing**

After transcribing the sample members' answers, they were coded and the data was entered using a computer. Then the data was processed

statistically using a program.SPSSTo answerAbout study questions and tests  
Its hypotheses,Through it, the researcher used the following statistical  
treatments:

- Factorsstability Cronbach Alpha To make sureFrom the degree of  
stabilityQuestionnaire.
- Frequencies, percentages, and graphical displayTo describe the personal  
study sample variables, the program (Microsoft Excel) in graphing  
operations.
- AveragesArithmetic and standard deviations for knowledgerelative  
importanceFor hypothesessthe study,AndRelative importance levels have  
been determined. Interpreting the arithmetic means of the sample  
individuals' estimates using the statistical standardthe next:

**table(3 - 3)**

**Statistical standard for interpreting arithmetic means**

level importance	relative	arithmetic mean
very low		from1to1.79
Low		from1.80to2.59
Medium		from2.60to3.39
High		from3.40to4.19
too high		from4.20to5

- **a test**(One Sample T-test) To test the hypotheses of the study  
and to know the validity of accepting or rejecting these  
hypotheses. According to the rule, the alternative hypothesis is  
accepted and the null hypothesis is rejected if the value isthe  
calculated value is greater thanThe tabular and statistical

significance value is less than the significant significance  
(0.05).

# **Chapter Four**

## **Study results**

**(1- 4): Study analysis**

**(2- 4): Testing study hypotheses**



## **(1- 4): Study analysis**

### **(1 - 1 - 4): Descriptive analysis of personal information of the study sample**

#### **(Firstly):Descriptive analysis of the job position variable**

**Table (1-4)**

**Descriptive analysis of the job position variable**

percentage	repetition	Category	Variable
10.3%	3	Financial Manager	Job position
24.1%	7	president Audit Department	
48.3%	14	auditor in the audit Department	
17.2%	5	Another job	
100 %	29	the total	

**Source:**Prepared by the researcher based on the program outputsSPSS

It becomes clearFrom the table (1 - 4) Above thatMost of the study sample members are repeatedly from the position of auditor in the audit department.(14)andThe percentage reached (48.3%), As for the second place, the head of the audit department is in the number(7)The percentage reached(24.1%)And in third place are those who have another job and their number is(5)The percentage reached(17.2%)Finally, the position of financial manager is very small.(3)Individuals only and they constituted a percentage(10.3%)Of the total study sample.

#### **( secondly ) :Descriptive analysis of the academic qualification variable**

**Table (2-4)**

**Descriptive analysis of the academic qualification variable**

percentage	repetition	Category	Variable
------------	------------	----------	----------

96.6%	28	<b>Bachelor's</b>	<b>Academic qualification</b>
-	-	<b>Postgraduate</b>	
3.4%	1	<b>Master's</b>	
-	-	<b>PhD</b>	
-	-	<b>Other qualifications</b>	
100%	29	<b>the total</b>	

**Source:**Prepared by the researcher based on the program outputsSPSS

It becomes clearFrom the table and figure(2 - 4)the previous that(28) Individuals from the study sample were bachelor's degree holders and constitutedrate (96.6%)Of the total sample, Followed by themMaster's degree holdersOnly one individual from the sample forrate(3.4%)While none of the sample members had a postgraduate diploma, doctorate, or any other qualifications.

### **(Third):Descriptive analysis of the variable number of years of experience**

**Table (3-4)**

**Descriptive analysis of the variable years of experience**

<b>percentage</b>	<b>repetition</b>	<b>Category</b>	<b>Variable</b>
10.3%	3	<b>below5years</b>	<b>Number of years of experience</b>
34.5%	10	<b>from5-10years</b>	
55.2%	16	<b>more than10years</b>	
100%	29	<b>the total</b>	

**Source:**Prepared by the researcher based on the program outputsSPSS

It becomes clearFrom the table and figure(3 - 4) aboveThe number of experienced workers is close to one another.(more than10years) And also(5 - 10 years)Their number reached (16) Individual by percentage55.2%)For the first, and (10) Individuals by percentage34.5%)For the second, while the number of

sample members who work with experience( below5years)(3) only and they formed a percentage (10.3%)Of the total sample .

#### **(1 - 2-4) : Sample answer analysis About the study hypotheses**

#### **(1 - 2 -1-4):Analysis of the study sample's answers to the first main hypothesis: (The role of auditing has a fundamental impact on the development of risk management in government units)**

To know the answers of the study sample members and the level of relative importance of the hypothesis statements, the researchers resorted to account Averages Arithmetic and deviations Standard, And that as heThe following:

**Table (4-4)**

**Arithmetic means and deviationsTNormativity and level of relative importance of the statements of the first main hypothesis**

Rank	Relative importance level	standard deviation	arithmetic mean	Phrases	number
1	too high	0.688	4.52	The auditor must know the objectives that the government unit seeks to achieve at the risk identification stage.	1
5	High	1.104	3.83	The auditor must conduct a comprehensive survey of the risks surrounding the government unit.	2
4	high	1.033	4.07	The auditor should reclassify the risks to which the government unit is exposed into homogeneous groups according to the degree of importance.	3
2	too high	0.712	4.31	The auditor should audit the government unit's risk management objectives and policies to ensure consistency between policy and application.	4
3	too high	0.774	4.21	The auditor must coordinate with the senior management of the government unit to prepare a permanent record of the risks to which the government unit is exposed.	5

3	too high	0.774	4.21	The role of the auditor is to continuously update the information collected regarding risks to reach an integrated information system.	6
6	High	1.105	3.69	The role of the auditor is to provide assurance services to the government unit and the audit committee regarding the effectiveness of management in determining risk management in government units.	7
High		0.482	4.12	General direction of the first main hypothesis	

**Source:**Prepared by the researcher based on the program outputsSPSS

The table indicates(4-4)To the study sample's answers to the related statements:**With the first main hypothesis** where She was **higher expressions**Ha she " **The auditor must knowObjectivesWhich the government unit seeks to achieve in the risk identification stage**" On average My account (4.52) And deviation normative (0.688) Andrelative importance Highvery , Followed by the phrase "**The auditor should audit the government unit's risk management objectives and policies to ensure consistency between policy and application.**"On average My account (4.31) And deviation normative (0.712) Andrelative importance Highvery,in when She was **minimum Her phrases** she " **The role of the auditor lies ininProviding assurance services to the government unit and the audit committee regarding the effectiveness of management in determining risk management in government units.**" On average My account (3.69) And deviation normative (1.105) Andrelative importance High. And in a way general It turns out that level importance (First main hypothesis) from Destination consideration sample the study He was high With an arithmetic average of (4.12) and standard deviation (0.482).

**(1 - 2 -2-4) :Analysis of the study sample's answers to the second main hypothesis: (It affects R Audit requirements have a fundamental impact on the development of risk management in government units.**

To know the study sample's answers and the level of relative importanceFor the second main hypothesisResearchers resorted to account Averages Arithmetic and deviations Standard per Its sub-hypotheses, And that as he Clear in Grandfatherto(5 - 4):

**Table (5-4)**  
**Arithmetic means, standard deviations, and significance level for the second main hypothesis**

Rank	Relative importance level	standard deviation	arithmetic mean	Dimension	The number
3	too high	.387	4.20	First sub-hypothesis	1
2	too high	.365	4.44	Second sub-hypothesis	2
1	too high	.439	4.45	Sub-hypothesis 3	3
too high		0.319	4.33	The general direction of the second main hypothesis	

**Source:**Prepared by the researcher based on the program outputsSPSS

Note from table (5 - 4)that The level of significance for the second main hypothesis was generally very high.middle My account(4.33)And deviation normative(0.319), andranged Averages Arithmeticfor its sub-hypothesesbetween (4.45 – 4.20).

The arithmetic means and standard deviations were also calculated to determine the level of relative importance of each of its sub-hypotheses as follows:

**(First): The first sub-hypothesis**

**Table (4-6)**  
**Arithmetic means and deviationsTNormativity and level of relative importance of the statements of the first sub-hypothesis**

Rank	Relative importance level	standard deviation	arithmetic mean	phrases	The number
6	High	1.026	4.14	auditor can interact with and communicate directly and effectively with departmental staff in government units.	1
3	too high	.574	4.48	Auditors can examine any report on any activity in the government unit and verify the extent of compliance with the regulations contained in the General Policy for Risk Management.	2
2	too high	.572	4.55	Auditors are given full authority to exercise their work objectively.	3
4	too high	.761	4.31	The auditor has independence in evaluating the effectiveness of risk management processes and contributing to their improvement.	4
9	High	.761	3.69	The auditor selects the methods and procedures for assessing risk management and the scope of their application.	5
8	High	1.093	3.86	The auditor prepares special lists to classify and categorize the events that cause risks and the factors leading to them in government units.	6
1	too high	.628	4.59	Auditors provide assurance that risk management processes have been properly evaluated.	7
5	too high	.819	4.21	The auditor prepares separate and periodic reports on risks and directs them to the stakeholders.	8
4	too high	.891	4.31	The auditor has the right to search and access records and persons to obtain basic information on which to base risk management assessments.	9
7	High	.860	3.90	The auditor should decline any executive responsibility to management regarding risk management.	10
too high		0.387	4.20	The general trend of the first sub-hypothesis	

**Source:**Prepared by the researcher based on the program outputsSPSS

The table indicates(4-6)To the study sample's answers to the related statements:**By the first sub-hypothesis** where She was **higher**

**expressions**Hashe " Auditors provide assurance that risk management processes have been properly evaluated." On average My account (4.59) And deviation normative (0.628) Andrelative importance Highvery , Followed by the phrase "Auditors are given full authority to exercise their work objectively."On average My account (4.55) And deviation normative (0.572) Andrelative importance Highveryin when She was **minimum Her phrases** she " The Auditors By choice Evaluation methods and procedures administration risks and scope of application" On average My account (3.69) And deviation normative (0.761) Andrelative importance MHigh.

And in a way general It turns out that level importance (First sub-hypothesis)from Destination consideration sample the study He was highVery much so, with an arithmetic average of (4.20) and standard deviation (0.387).

## **(Second): The second sub-hypothesis**

### **(Rehabilitation affects the Auditors on development administration Risks in Units (governmental))**

To know the answers of the study sample members and the level of relative importance of the statements of this hypothesis, the researchers resorted to account Averages Arithmetic and deviations Standard, And that as he Clear in Grandfatherto(4-7):

**Table (4-7)**  
**Arithmetic means and deviationsTNormativity and relative importance level of the statements of the second sub-hypothesisAnd**

Rank	Relative importance level	standard deviation	arithmetic mean	Phrases	The number
1	too high	.258	4.93	Academically and practically qualified persons are selected to fill audit positions.	1
5	too high	.572	4.45	The auditor undergoes specialized training programs on an ongoing basis to keep pace with procedures for evaluating the effectiveness of risk management processes.	2
7	High	.998	4.07	Government units provide the opportunity for auditors to participate in specialized professional workshops and conferences.	3
8	High	.906	4.03	The auditor has knowledge and understanding of the various and diverse methods of reporting the results of evaluating the effectiveness of risk management processes.	4
5	too high	.827	4.45	The auditor's academic level affects his performance in assessing the	5
2	too high	.677	4.62	The number of years of experience of the auditor affects the efficiency of his performance in assessing the effectiveness of risk management processes.	6
3	too high	.628	4.59	Attending specialized training courses and professional conferences affects the auditor's performance in evaluating the effectiveness of risk management processes.	7
6	too high	.660	4.31	The auditor has the skills and experience necessary to evaluate risk management processes.	8
4	too high	.829	4.52	The auditor is keen to develop his capabilities by obtaining high qualifications in the accounting and auditing profession.	9
too high		0.365	4.44	<b>The general trend of the second sub-hypothesis</b>	



**Source:**Prepared by the researcher based on the program outputsSPSS

The table indicates(4-7)To the study sample's answers to the related statements:**By the second sub-hypothesis** where She was **higher expressions**Ha she " Academically and practically qualified persons are selected to fill positions. Audit " On average My account (4.93) And deviation normative (0.258) Andrelative importance Highvery , Followed by the phrase "The number of years of experience of the auditor affects the efficiency of his performance in assessing the effectiveness of risk management processes."Bammediate My account (4.62) And deviation normative (0.677),Andrelative importance Highvery,in when She was **minimum Her phrases** she " **ReferencesEFamiliarity with the various methods of reporting on the results of evaluating the effectiveness of risk management processes.** " On average My account (4.03) And deviation normative (0.906) Andrelative importance MHigh.

And in a way general It turns out that level importance (Second sub-hypothesis)from Destination consideration sample the study He was highVery much so, with an arithmetic average of (4.44) and standard deviation (0.365).

### **(Third): The third sub-hypothesis**

**(affectsexercise due professional care For referenceson development administration Risks in Units (governmental)**

To know the answers of the study sample members and the level of relative importance of the statements of this hypothesis, the

researcher resorted to account Averages Arithmetic and deviations Standard, And that as he Clear in Grandfatherto(4-8):

**Table (4-8)**  
**Arithmetic means and deviationsTNormativity and level of relative importance of the statements of the third sub-hypothesis**

Rank	Relative importance level	standard deviation	arithmetic mean	Phrases	The number
1	too high	.686	4.55	The auditor's planning of the audit process and developing the audit program increases the effectiveness of risk management processes.	1
3	too high	.553	4.34	The auditor's examination and evaluation of information and obtaining sufficient evidence increases the	2
2	too high	.686	4.45	The auditor's compliance with the reporting standards for preparing audit reports increases the quality of	3
too high		0.439	4.45	<b>The general trend of the third sub-hypothesis</b>	

**Source:**Prepared by the researcher based on the program outputsSPSS

The table indicates(4-8)To the study sample's answers to the related statements:**By the third sub-hypothesis** where She was **higher expressionsHa** she " The auditor's planning of the audit process and developing the audit program increases the effectiveness of risk management processes." On average My account (4.55) And deviation normative (0.686) Andrelative importance Highvery , Followed by the phrase "**The auditor's compliance with the reporting standards for preparing audit reports increases the quality of disclosure and the effectiveness of risk management processes.**"On averageMy account (4.45) And deviation normative (0.686),Andrelative importance Highvery,in when She was **minimum Her phrases** she " **YandThis is the auditor's examination and evaluation of the information and**

obtainingEvidenceSufficient evidence to increase the effectiveness of risk management processes" On average My account (4.34) And deviation normative (0.553) Andrelative importance Highvery.

And in a way general It turns out that level importance (Sub-hypothesis 3)from Destination consideration sample the study He was highVery much so, with an arithmetic average of (4.45) and standard deviation (0.439).

## **(2-4) : Testing study hypotheses**

a job researcher in this side on a test Hypotheticalat the study, where Focused a task thisPart A From the studyon a test bezel acceptance or to reject Hypotheses the study from during Use a testOne Sample T-test For one damnAnd that as The following:

### **❖ hypothesisMain page:**

**"affects The role of Audit On development administration Risks in government units "**

To test This is amazing hypothesis It was completed UseMa testOne Sample T-testTo verify The validity of this hypothesis, as the hypothesis was formulated in two parts as follows:

- Null hypothesis: no The role of Audit affects the development ofadministrationRisks in government units.
- **Alternative hypothesis:** The role of Audit affects the development of administration Risks in government units.

The following table(4-9)The results of this test are shown as follows::

**Table (4-9)**

**Test resultsOne Sample T-testFor the first main hypothesis**

*Sig Significance level	degrees of freedom	valueThe calculated	standard deviation	arithmetic mean	The first hypothesis
0.000	28	12,505	0.482	4.12	
The value reachedt Table (2,048) at the significance level (0.05) and degree of freedom (28)					

\*Statistically significant at the significance level0.05

**Source:**Prepared by the researcher based on the program outputsSPSS

It is clear table (4.9) Test resultsOne Sample T-testFor the hypothesis,where showed results Analysis statistician following:

-The results showed that the arithmetic mean of the answers of the aforementioned sample with regard to the first main hypothesis reached (4.12This value is greater than the hypothetical average.3)) which indicates a high agreement by the study sample on the statements of this hypothesis, and what supports this is that the value ofThe calculated amount has reached12,505)) which is greater than the valueadult schedule2,048)), and the statistical significance value was less than the significance level (0.05When I reached (0.000), indicating the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This means that this hypothesis is correct, i.e.The role of Audit affects the development of administration Risks in government units Therefore, we accept this hypothesis.

#### ❖ hypothesisHome Second:

**"Taffect requirements Audit on development administration Risks in government units"**

To test This is amazing hypothesis It was completed UseMa testOne Sample T-testTo verify The validity of this hypothesis, as the hypothesis was formulated in two parts as follows:

- Null hypothesis: audit requirements affect development. administration Risks in government units.
- **Alternative hypothesis** : no audit requirements affect development.administrationRisks in government units.
- The following table(4-10)The results of this test are shown as shown below.:

**Table (4-10)**  
**Test resultsOne Sample T-testFor the second main hypothesis**

*Sig Significance	degrees of freedom	valueThe calculated	standard deviation	arithmetic mean	The second hypothesis
0.000	28	22,522	0.319	4.33	
The value reachedt Table (2,048) at the significance level (0.05) and degree of freedom (28)					

\*Statistically significant at the significance level0.05

**Source:**Prepared by the researcher based on the program outputsSPSS

It is clear table (4-10) Test resultsOne Sample T-testFor the hypothesis,where showed results Analysis statistician following:

- The results showed that the arithmetic mean of the answers of the aforementioned sample with regard to the second main hypothesis reached (4.33This value is greater than the hypothetical average.3)) which indicates a very high agreement by the study sample on the statements of this hypothesis, and what supports this is that the value offThe

calculated amount has reached 22,522)) which is greater than the value of adult schedule 2,048)), and the statistical significance value was less than the significance level (0.05). When I reached (0.000), indicating the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This means that this hypothesis is correct, i.e. Audit requirements affect development. administration Risks in government units. Therefore, we accept this hypothesis.

**Below is the test of the sub-hypotheses of the second main hypothesis:**

❖ **hypothesis First sub-section:**

**"affect Independence of auditors On development administration Risks in government units"**

To test This is amazing hypothesis It was completed Use Ma test One Sample T-test To verify The validity of this hypothesis, as the hypothesis was formulated in two parts as follows:

- **Null hypothesis:** no Auditor independence affects the development of administration Risks in government units.
- **Alternative hypothesis:** Auditor independence affects the development of administration Risks in government units.

The following table (4-11) The results of this test are shown as follows::

**Table (4-11)**

**Test results One Sample T-test For the first sub-hypothesis**

*Sig Significance	degrees of freedom	valueThe calculated	standard deviation	arithmetic mean	First sub- hypothesis
0.000	28	16,754	0.387	4.20	
The value reachedt Table (2,048) at the significance level (0.05) and degree of freedom (28)					

\*Statistically significant at the significance level0.05

Source:Prepared by the researcher based on the program outputsSPSS

It is clear table (4-11) Test resultsOne Sample T-testFor the hypothesisThird,where showed results Analysis statistician following:

-The results showed that the arithmetic mean of the answers of the aforementioned sample with regard to the third hypothesis reached (4.20This value is greater than the hypothetical average.3)) which indicates a very high agreement by the study sample on the statements of this hypothesis, and what supports this is that the value offThe calculated amount has reached16,754)) which is greater than the valuetadult schedule2,048)), and the statistical significance value was less than the significance level (0.05When I reached (0.000), indicating the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This means that this hypothesis is correct, i.e.Auditor independence affects the development

### **Result of testing the third hypothesis:**

affectsProfessional qualification of auditors and continuous training on the quality and efficiency of audit reports.

developmentadministrationRisks in government units"

To test This is amazing hypothesis It was completed UseMa testOne Sample T-testTo verify The validity of this hypothesis, as the hypothesis was formulated in two parts as follows:

- Null hypothesis: no Reference qualification affects development administration Risks in government units.
- Alternative hypothesis: Reference qualification affects development administration Risks in government units.
- The following table (4-12) The results of this test are shown as follows::

**Table (4-12)**  
**Test results One Sample T-test For the second sub-hypothesis**

*Sig Significance level	degrees of freedom	valueThe calculated	standard deviation	arithmetic mean	Second sub- hypothesis
0.000	28	21,226	0.365	4.44	
The value reached t Table (2,048) at the significance level (0.05) and degree of freedom (28)					

\*Statistically significant at the significance level 0.05

**Source:** Prepared by the researcher based on the program outputs SPSS

It is clear table (4-12) Test results One Sample T-test For the hypothesis, where showed results Analysis statistician following:

-The results showed that the arithmetic mean of the answers of the aforementioned sample with regard to the second sub-hypothesis reached (4.44 This value is greater than the hypothetical average 3)) which indicates a very high agreement by the study sample on the statements of this hypothesis, and what supports this is that the value of The calculated amount has reached (21.226)) which is greater than the value t adult schedule (2,048)), and the statistical significance value was less than the significance level (0.05 When I reached (0.000), indicating the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This means that this hypothesis is correct, i.e. Y affect Rehabilitation References on



development administration Risks in government units Therefore, we accept this hypothesis.

❖ **hypothesis Third branch And:**

**"Y affect Due professional care for the auditor On development administration Risks in government units "**

To test This is amazing hypothesis It was completed Use Ma test One Sample T-test To verify The validity of this hypothesis, as the hypothesis was formulated in two parts as follows:

- **Null hypothesis:** no The auditor's due professional care affects the development of administration Risks in government units.
- **Alternative hypothesis:** The auditor's due professional care affects the development of administration Risks in government units.

The following table (4-13) The results of this test are shown as follows::

**Table (4-13)**  
**Test results One Sample T-test For the third sub-hypothesis**

*Sig Significance level	degrees of freedom	valueThe calculated	standard deviation	arithmetic mean	Sub- hypothesis 3
0.000	28	17,768	0.439	4.45	
The value reachedt Table (2,048) at the significance level (0.05) and degree of freedom (28)					

\*Statistically significant at the significance level 0.05

**Source:** Prepared by the researcher based on the program outputs SPSS

It is clear table (4-13) Test results One Sample T-test For the hypothesis, where showed results Analysis statistician following:

-The results showed that the arithmetic mean of the answers of the aforementioned sample with regard to the third sub-hypothesis reached (4.45 This value is greater than the hypothetical average. 3)) which indicates a

very high agreement by the study sample on the statements of this hypothesis, and what supports this is that the value of The calculated amount has reached (17,768)) which is greater than the value of adult schedule (2,048)), and the statistical significance value was less than the significance level (0.05 When I reached (0.000), indicating the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This means that this hypothesis is correct, i.e. Y affects exercise professional care to For references on development administration Risks in government units Therefore, we accept this hypothesis.

The table summarizes (4-14) The following are the study hypotheses that were tested:

**Table (4-14)**

**Summary of the results of the study's hypothesis testing**

Test result	Hypotheses	
<u>Accept the hypothesis</u>	Affects The role of audit On development administration Risks in government units.	1
<u>Accept the hypothesis</u>	Taffect audit requirements On development administration Risks in government units	2
<u>Accept the hypothesis</u>	Taffect Independence AFor references on development administration Risks in government units	2-1
<u>Accept the hypothesis</u>	affects Rehabilitation AFor references on development administration Risks in government units	2-2
<u>Accept the hypothesis</u>	The auditor's professional care affects the development of administration Risks in government units	2-3

**Source:**Prepared by the researcher based on testing the study hypotheses

## **the chapter the fifth**

### **Discussion of study results**

**(1-5) : Discussion of the study analysis**

**(2-5) : Hypothesis Testing Discussion**

**(3-5) : Conclusions**

**(4-5) : Recommendations**

## **(1-5) : Discussion of the study analysis**

In light of the data analysis, the study reached the following results::

- 1 He was level importance First main study hypothesis high From the point of view of the study sample, on average My account (4.12).
- 2 showed Results that level importance Second main study hypothesis high Very much from the point of view of the study sample On average My account (4.33).

## **(2-5) : Hypothesis Testing Discussion**

in view of Hypothesis testing The study reached the following results::

1. The study proved that the role of auditing affects the development of risk management in government units, thus the validity of the first hypothesis was achieved: "It affects..." **The role of auditing in developing risk management in government units"**
2. The study proved that the requirements audit TAffects the development of risk management in government units Thus, the second hypothesis was confirmed: "Requirements affect..." **Audit of the development of risk management in government units** These requirements were represented in (independence of the auditor, qualification, and exerting professional care), meaning that each of them affects the development of risk management in government units, as all sub-hypotheses of the second hypothesis were accepted.

### **(3-5) : Conclusions**

The analysis of the results showed the following:

- 1- That the audit has a role in developing risk management in the government units under study.
- 2- The audit requirements (independence)-Qualification - exercising due professional care) of the auditor has a role in the process of developing risk management in government units.
- 3- He should on the auditor knowledge Objectives that Seeking Unity Governmental to Achieve it in phase to set Risks.
- 4- The auditor must coordinate with senior management. The government unit shall prepare a permanent register of risks that The government unit is exposed to it.
- 5- That auditor The subject of the research is presented Confirmation that management operations The risks were properly assessed..
- 6- Must be available auditor have full powers to exercise Work objectively.
- 7- Scientifically and practically qualified persons are selected to fill the position. Audit jobs, where The number of years of experience of the auditor affects the efficiency of Its performance to evaluate the effectiveness of risk management processes.
- 8- The auditor plans the audit process. And set up the Audit program This leads to To increase the effectiveness of operations Risk management.

#### **(4-5) : Recommendations**

Based on the general findings, the study makes some recommendations as follows:

- 1- We recommend that business organizations evolve from the traditional approach to auditing and adopt a comprehensive view of risks by relying on risk-based auditing.
- 2- We recommend working to activate the audit as a tool in developing risk management by adhering to international auditing standards.
- 3- Periodic and continuous evaluation of audit units in government units to identify weaknesses and attempt to develop them.
- 4- We recommend the scientific and practical qualification of auditors, risk management personnel, and audit committees through training courses, conferences, and scientific seminars.
- 5- We recommend that attention be given to teaching audit courses and their developments in universities.

#### **Recommendations for future research**

- 1- The role of government audit in developing risk management systems in government units.

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Surah At-Tawbah, verse105

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# **Appendices**

**Appendix(1): Survey form**

**Appendix(2): Program outputsSPSSTo test the first  
main hypothesis**

**Appendix(3): Program outputsSPSSTo test the second  
hypothesis and its hypotheses**

## **Section OnePersonal information**

Please tick (✓) In front of the appropriate option for your happiness:

a) Job title of the person completing the form:

Another job	auditor in the audit Department	Head of Audit Department	Financial Manager

for)Academic qualification:

Other qualifications	PhD	Master's	Postgraduate Diploma	Bachelor's

c) NumberYears of experience in the profession:

more than10 years	from5 to 10 years	less5 years ago

## **Section Two :Study hypotheses**

Please tick (✓ ) As for the appropriate level of approval for your happiness:

**The first main hypothesis: The role of oversight bodies has a fundamental impact on the development of risk management in government units.**

Strongly disagree	Disagree	neutral	OK	Strongly agree	Statement	The number
					The auditor must know the objectives that the government unit seeks to achieve at the risk identification stage.	1
					The auditor must conduct a comprehensive survey of the risks surrounding the government unit.	2
					The auditor should reclassify the risks to which the government unit is exposed into homogeneous groups according to the degree of importance.	3
					The auditor should audit the government unit's risk management objectives and policies to ensure consistency between policy and application.	4
					The auditor must coordinate with the senior management of the government unit to prepare a permanent record of the risks to which the government unit is exposed.	5

					The role of the auditor is to continuously update the information collected regarding risks to reach an integrated information system.	6
					The role of the auditor is to provide assurance services to the government unit and the audit committee regarding the effectiveness of management in determining risk management in government units.	7

**Main hypothesis two: Audit requirements have a fundamental impact on the development of risk management in government units.**

The following hypotheses branch out from it:

1) The independence of the auditor affects the development of risk management in government units.

Strongly disagree	Disagree	neutral	OK	Strongly agree	Statement	The number
					auditors can interact with and communicate directly and effectively with departmental staff in government units.	1
					Auditors can examine any report on any activity in the government unit and verify the extent of compliance with the regulations contained in the General Policy for Risk Management.	2
					Auditors are given full authority to exercise their work objectively.	3
					The auditor has independence in evaluating the effectiveness of risk management processes and contributing to their improvement.	4

					The auditor selects the methods and procedures for assessing risk management and the scope of their application.	5
					The auditor prepares special lists to classify and categorize the events that cause risks and the factors leading to them in government units.	6
					Auditors provide assurance that risk management processes have been properly evaluated.	7
					The auditor prepares separate and periodic reports on risks and directs them to the stakeholders.	8
					The auditor has the right to search and access records and persons to obtain basic information on which to base risk management assessments.	9
					The auditor should decline any executive responsibility to management regarding risk management.	10

**2) Auditor qualification affects the development of risk management in government units.**

Strongly disagree	Disagree	neutral	OK	Strongly agree	Statement	The number
					Academically and practically qualified persons are selected to fill audit positions.	1
					The auditor undergoes specialized training programs on an ongoing basis to keep pace with procedures for evaluating the effectiveness of risk management processes.	2
					Government units provide the opportunity for auditors to participate in specialized professional workshops and conferences.	3
					The auditor has knowledge and understanding of the various and diverse methods of reporting the results of	4



					evaluating the effectiveness of risk management processes.	
					The educational level of the government auditor affects the efficiency of his performance in evaluating the effectiveness of risk management processes.	5
					The number of years of experience of the auditor affects the efficiency of his performance in assessing the effectiveness of risk management processes.	6
					Attending specialized training courses and professional conferences affects the auditor's performance in evaluating the effectiveness of risk management processes.	7
					The auditor has the skills and experience necessary to evaluate risk management processes.	8
					The auditor is keen to develop his capabilities by obtaining high qualifications in the accounting and auditing profession.	9

**3) The auditor's due professional care affects the development of risk management in government units.**

Strongly disagree	Disagree	neutral	OK	Strongly agree		The number
					The auditor's planning of the audit process and developing the audit program increases the effectiveness of risk management processes.	1

					The auditor's examination and evaluation of information and obtaining sufficient evidence increases the effectiveness of risk management processes.	2
					The auditor's compliance with the reporting standards for preparing audit reports increases the quality of disclosure and the effectiveness of risk management processes.	3

Thank you for your cooperation.

## Appendix (2)

### Program outputsSPSSTo test the first main hypothesis

**One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
First	29	4.1182	.48154	.08942

**One-Sample Test**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
First	12,505	28	.000	1.11823	.9351	1.3014

### Appendix (3)

Program outputsSPSSTo test the second main hypothesis and its sub-hypotheses

**One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Secon d	29	4.3339	.31894	.05923
F1	29	4.2034	.38682	.07183
F2	29	4.4406	.36549	.06787
F3	29	4.4483	.43894	.08151

**One-Sample Test**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Secon d	22,522	28	.000	1.33386	1.2125	1.4552
F1	16,754	28	.000	1.20345	1.0563	1.3506
F2	21,226	28	.000	1.44061	1.3016	1.5796
F3	17,768	28	.000	1.44828	1.2813	1.6152